PRAXAIR INC
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March 15, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant 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))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Under Rule 14a-12

Praxair, Inc.

(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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A MESSAGE FROM OUR
LEAD DIRECTOR
Dear Fellow Shareholder,

On behalf of Praxair's entire Board of Directors, thank you for entrusting us with the oversight of your company. The Board and management are committed to driving the company's performance and shareholder value creation.

Strong Corporate Governance Structure

The Board has adopted Corporate Governance Guidelines and policies and practices that implement a strong governance architecture that compares very favorably to those of other S&P 500 companies and to the standards of recognized governance organizations. Please see pages 8-15 in the accompanying 2017 proxy statement.

A Diverse, Qualified, Independent and Engaged Board of Directors

Your Board is comprised of members who bring a broad diversity of experiences, competencies, backgrounds and perspectives that are well-suited for advice and counsel to, and oversight of, Praxair's business and its management. Each director has executive management and oversight experience in most, if not all, of the areas that are critical to the conduct of Praxair's business, as discussed on pages 22-28 of the proxy statement. All directors are independent of management except for the Chairman and CEO.

Shareholder Outreach and Executive Compensation Program Changes

Praxair has a robust shareholder outreach program that it has conducted for many years that ensures the Board and management remain responsive to shareholder concerns. This includes ongoing interaction with institutional investors, as well as an extensive annual shareholder outreach program focused on corporate governance and executive compensation matters. Among other things, this outreach provided the Compensation & Management Development Committee with valuable input that enabled it to make changes to the executive compensation program in 2016 that were responsive to shareholders (these changes are discussed on pages 4 and 36 of the proxy statement).

Environmental and Social Responsibility

Praxair's mission of "Making our Planet More Productive" represents Praxair's commitment to sustainability through its Sustainable Development Program. In 2016, Praxair was again included in the prestigious Dow Jones Sustainability World Index, making Praxair the only U.S. chemical company

selected for 14 consecutive years, and Praxair was again named in 2016 to the Forbes Magazine list of the 500 best large employers in the U.S. You can learn more about our Sustainable Development Program on our website, www.praxair.com in the Our Company/Sustainable Development section.

Proposed Merger with Linde AG

On December 20, 2016, Praxair and Linde AG announced that the companies intend to combine in a merger of equals under a new holding company through an all-stock transaction. The companies have signed a non-binding term sheet and expect to execute a definitive Business Combination Agreement as soon as practicable. Based on 2016 reported results, the combination would create an industrial gases company with pro forma revenues of approximately $28.5

billion (EUR 27 billion), prior to any divestitures, and a current market value in excess of $63.4 billion (EUR 59.8 billion). The combined company would be governed by a single Board of Directors with equal representation from Linde and Praxair. Linde's Supervisory Board Chairman, Professor Dr. Wolfgang Reitzle, would become Chairman of the new company's Board, and Praxair's Chairman and CEO, Steve Angel, would become CEO and a member of the Board of Directors.

The Board strongly supports this proposed business combination with Linde because, among other things, we believe that the combined company would create significant value for shareholders through the realization of approximately $1 billion (EUR 0.9 billion) in annual synergies, driven by scale benefits, cost savings and efficiency improvements. If the companies execute a definitive Business Combination Agreement, we will seek approval of the proposed business combination by Praxair's shareholders at a future meeting of shareholders.

Other 2016 and Recent Highlights

The Compensation & Management Development Committee made significant changes to the Executive Compensation Program to more closely align pay and performance. You, our shareholders, expressed your approval of these changes by approving the annual "Say-on-Pay" vote on executive compensation at the 2016 Annual Meeting of Shareholders by 94%, compared to 62% in 2015, before we made the changes.

Ira D. Hall is retiring from the Board just prior to the 2017 Annual Meeting after thirteen years of service, as required by the Board's Director retirement policy. The Board thanks Ira for his dedicated service and contributions.

The Board thanks you for your continued support and confidence in Praxair and we look forward to continuing our strong partnership with you.

Regards,

ROBERT L. WOOD

Independent Lead Director

TABLE OF CONTENTS

APPENDIX 1: AMENDMENTS TO THE AMENDED AND RESTATED 2009 PRAXAIR, INC. LONG TERM INCENTIVE PLAN

NOTICE OF 2017 ANNUAL MEETING OF SHAREHOLDERS

APRIL 25, 2017

Dear Praxair Shareholder:

The Annual Meeting of Shareholders of Praxair, Inc. ("Praxair" or the "Company") will be held at 11:00 a.m. on Tuesday, April 25, 2017 at the Ritz-Carlton Westchester Hotel, Three Renaissance Square, White Plains, New York, for the following purposes:

1. To elect nine directors to the Board of Directors.
2. To ratify the appointment of the independent auditor.
3. To provide an advisory vote on Named Executive Officer Compensation.
4. To provide an advisory vote on the frequency of holding future advisory votes on Named Executive Officer Compensation.
5. To approve amendments to the Amended and Restated 2009 Praxair, Inc. Long Term Incentive Plan (the "Plan") to, among other things, authorize additional shares for grant and to approve the material terms of performance goals for awards under the Plan.
6. To conduct such other business as may properly come before the meeting.

This Proxy Statement and a form of proxy are first being sent to shareholders on or about March 15, 2017. Only holders of record of Praxair Common Stock at the close of business on March 1, 2017 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

GUILLERMO BICHARA,
Vice President, General Counsel & Secretary

March 15, 2017

PROXY STATEMENT HIGHLIGHTS

This summary highlights selected information in this Proxy Statement. Please review the entire document before voting.

Annual Meeting of Shareholders of Praxair, Inc.

Voting Items

Voting Item	Board Voting Recommendation	Reason(s) for Board Recommendation	Further Information (page)
1. To elect nine directors to the Board of Directors	FOR each nominee	Our nominees are seasoned leaders who bring a mix of skills and qualifications to the Board.	22-28
2. To ratify the appointment of the independent auditor	FOR	Based on its recent evaluation, our Audit Committee believes that the retention of PricewaterhouseCoopers LLP is in the best interests of the Company and its shareholders.	30-34
3. To provide an advisory vote on Named Executive Officer Compensation	FOR	Our executive compensation program reflects our commitment to paying for performance and reflects recent significant changes based upon feedback received from our shareholder outreach.	62
4. To provide an advisory vote on the frequency of holding future advisory votes on Named Executive Officer Compensation	FOR an Annual Say-On-Pay Vote	The Company has held an annual vote on Named Executive Officers Compensation (“Say-On-Pay” vote) since this vote was required beginning in 2011. The Board believes that shareholders should continue to have the opportunity to provide an annual advisory Say-On-Pay vote.	63
5. To approve amendments to the Amended and Restated 2009 Praxair, Inc. Long Term Incentive Plan (“Plan”) to, among other things, authorize additional shares for grant and to approve the material terms of performance goals for awards under the Plan.	FOR	The Board requests shareholder approval for additional shares for grant under the Plan, as the Plan does not have sufficient shares remaining for future grants. The Board also requests shareholder approval of the Section 162(m) performance goals under the Plan so that the Company may deduct equity compensation grants to certain executives for federal tax purposes.	64-72

How to Vote

Your vote is important. You are eligible to vote if you were a shareholder of record at the close of business on March 1, 2017. Even if you plan to attend the meeting, please vote as soon as possible using one of the following methods. In all cases, you should have your proxy card in hand.

PROXY STATEMENT HIGHLIGHTS

Performance Highlights

Performance Highlights

2016 year in review

Praxair delivered solid results for the full year of 2016 despite continued challenging global macro-economic trends and foreign currency headwinds. Volume growth from resilient end-markets and new project start-ups was offset by weaker volumes in North and South America, primarily in the manufacturing and up-stream energy end-markets. Excluding foreign currency headwinds, sales growth came from higher overall pricing and acquisitions. Operating cash flow was 3% higher than 2015 despite lower net income from currency and base volume headwinds.

High-quality results

We took prompt actions to mitigate these headwinds and Praxair employees once again delivered high-quality results that included:

Business Optimization

- Attained positive pricing and proactively took cost reduction measures
- Achieved high-quality operating and earnings before interest, taxes, depreciation and amortization (“EBITDA”) margins of 22.2% and 33.2%, respectively*

Sustainable Growth

- Won seven new onsite projects for customers under long-term contracts, including four in the U.S. Gulf Coast, and finished the year with a project backlog of $1.5 billion
- Successfully started-up nine large projects in Asia, Europe and South America
- Grew resilient end-markets to 27% of sales, which include food and beverage, healthcare, environmental, specialty gases and aerospace
- Increased our carbon dioxide capacity in the U.S. by 50% to support our growing food and beverage end-markets
- Acquired Yara’s carbon dioxide business in Europe, significantly strengthening our growth platform on the continent
- Concluded the joint venture with GE for aircraft engine coatings, which we expect will triple our coating sales with GE in a few years
- Completed 13 synergistic acquisitions in support of our strategy

Strong Cash Flow and Return to Shareholders

- Generated operating cash flow of $2.8 billion (26% of sales) and free cash flow of $1.3 billion*
- Returned approximately $1 billion to shareholders, primarily in the form of dividends
- Increased the annual dividend by 5% for 2017, the 24th consecutive annual dividend increase

The graphs on page 3 show some of the Company's key financial performance achievements including: (1) a ten-year average ROC that well exceeds the industrial gases industry ten-year average ROC; (2) the growth in the Company's operating cash flow since 2000, the majority of which was used to invest in organic growth through capital expenditures and acquisitions; (3) the high quality operating and EBITDA margins as a percent of sales; and (4) for 24 consecutive years since 1993, the Company has increased its dividends to shareholders.

PROXY STATEMENT HIGHLIGHTS

Performance Highlights

* Operating margin, EBITDA margin, ROC, and free cash flow are non-GAAP measures. A reconciliation of reported amounts to non-GAAP measures can be found in Praxair's 2016 Form 10-K and Annual Report in "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" in the sub-section called "Non-GAAP Financial Measures". Free cash flow equals operating cash flow minus capital expenditures.

Compensation Highlights

Shareholder Feedback is Critical to Executive Compensation Design

Praxair continues to have a long-standing, robust outreach program whereby management regularly discusses executive compensation design and other relevant matters with shareholders. The Compensation & Management Development Committee of the Board of Directors (the "Compensation Committee") carefully considers shareholder feedback as it makes compensation program decisions.

In April 2015, certain proxy advisory firms recommended that shareholders vote against the Company's Advisory Vote on NEO Compensation, and as a result, additional shareholder outreach was conducted. Fifty-four individual meetings were held, and collectively, shareholders representing 49% of

shares outstanding provided feedback for consideration.

In response to, and after carefully considering shareholder feedback, the Compensation Committee approved changes to certain elements of the Company's executive compensation program as highlighted below. Some of the changes were retroactive to 2015, and others affected the Company's 2016 executive compensation programs.

These changes were disclosed to shareholders in the 2016 proxy statement, and shareholders approved the Say-on-Pay proposal in April 2016 with 94% of shares voted in its favor, compared to 62% in favor in 2015 before the changes were made.

What We Heard	What We Did	Effective	For More Detail
Concern that variable compensation awards can be too greatly influenced by elements other than financial performance	Reduced and limited the impact of the non-financial performance on payouts: • Financial performance must account for at least 80% of total business performance for NEOs	2015 (retroactive)	See page 41

	• Eliminated the individual performance adjustment for the CEO's payout		
Want additional alignment with shareholder returns in the variable compensation program	Revised the annual variable compensation program by increasing the weighting of net income and by replacing the working capital metric with a cash flow metric	2016	See page 41
ROC is viewed as a solid measure for long-term incentive equity awards. Additionally, some shareholders also prefer relative metrics and linking payouts to TSR	Modified the annual performance share unit grants to incorporate a relative total shareholder return ("TSR") measure, while maintaining the ROC measure	2016	See page 45
Concern about CEO special pension arrangements	Agreements to provide additional service credit for the Company's pension program have not been made with any current executive since 2001, and will not be made in the future	legacy	See page 51
Desire for enhanced disclosure in the proxy statement	• Performance goals disclosed for the TSR and ROC performance share units in the year of grant • Improved the readability and redesigned the presentation of the proxy statement	2016	See page 45

PROXY STATEMENT HIGHLIGHTS

Compensation Highlights

Alignment of Executive Compensation Programs with Praxair Business Objectives

The Compensation Committee seeks to achieve its executive compensation objectives by aligning the design of the Company's executive compensation programs with the Company's business objectives, ensuring a balance between financial and strategic non-financial goals.

FINANCIAL BUSINESS OBJECTIVE:

Achieve sustained growth in profitability and shareholder return resulting in a robust cash flow to fund capital investment growth opportunities, dividend payments and share repurchases.

- Annual performance-based variable compensation earned by meeting or exceeding pre-established financial goals.
- Annual grants of performance share units that vest based upon performance results over three years.
- Annual grants of stock options, the value of which is directly linked to the growth in the Company's stock price.

STRATEGIC BUSINESS OBJECTIVES:

Maintain world-class standards in safety, environmental responsibility, global compliance, productivity, talent management, and financial controls.

- Annual payout of variable compensation is impacted by non-financial performance in these areas.

Attract and retain executives who thrive in a sustainable performance-driven culture.

- A competitive compensation and benefits program regularly benchmarked against peer companies of similar size in market cap, revenue and other financial metrics and business attributes.
- Realized compensation that varies with Company performance, with downside risk and upside opportunity.

Best Practices Supporting Executive Compensation Objectives

What We Do:	What We Do Not Do:
Link a substantial portion of total compensation to Company performance:	X Guarantee bonuses for executive officers X Regularly grant time vested restricted stock

Annual variable compensation awards based principally upon performance against objective, pre-established financial goals	X Have employment agreements for executive officers
Equity grants consisting of performance share units and stock options, focused on longer term shareholder value creation	X Allow pledging or hedging of Company stock held by officers
Set compensation within competitive market ranges	X Pay tax “gross-ups” on perquisites and personal benefits unless related to relocation expenses that are available to employees generally
Require substantial stock ownership and retention requirements for officers	X Accelerate equity award vesting upon change-in-control
Limit perquisites and personal benefits	X Include an excise tax “gross-up” provision in any change-in-control arrangements
Have double trigger change-in-control severance agreements and, for post-2009 agreements, with payouts of 2 times salary plus target variable compensation	
Include double trigger vesting requirements for officer equity awards in the event of a change-in-control	
Have a clawback (“recapture”) policy that applies to performance based equity and cash awards including gains realized through exercise or sale of equity securities	

PROXY STATEMENT HIGHLIGHTS

Board and Governance Highlights

Board and Governance Highlights

Board Nominees

The following nine persons currently serve on the Board of Directors and have been nominated for reelection to serve until the 2018 annual meeting and the election and qualification of their successors.

Name	Age	Director Since	Background	Independent Yes	Independent No	Current Committee Memberships[1]	Other Current Public Company Boards
Stephen F. Angel	61	2006	Chief Executive Officer and Chairman of the Board of Praxair, Inc.		X		• PPG Industries, Inc.
Oscar Bernardes	70	2010	Managing Partner at Yguapora Consultoria e Empreendimentos Ltda; former Chief Executive Officer of Bunge International	X		CMD, FP, TSS	• DASA Laboratorios da America SA • Localiza Rent A Car S.A. • Marcopolo S.A.
Nance K. Dicciani	69	2008	Former President & Chief Executive Officer of Honeywell Specialty Materials	X		AC, CMD, Chairperson of TSS	• AgroFresh Solutions, Inc. • Halliburton Company • LyondellBasell Industries
Edward G. Galante	66	2007	Former Senior Vice President and a member of the Management Committee of ExxonMobil Corporation	X		Chairman of CMD, GN, TSS	• Celanese Corporation • Clean Harbors, Inc. • Tesoro Corporation
Raymond W. LeBoeuf	70	1997	Former Chairman & Chief Executive Officer of PPG Industries, Inc.	X		Chairman of AC, GN	• MassMutual Financial Group
Larry D. McVay	69	2008	Principal of Edgewater Energy, LLC; former Chief Operating Officer of	X		AC, Chairman of FP, TSS	• Callon Petroleum

			TNK-BP Holding			Company • Chicago Bridge & Iron Company
Martin H. Richenhagen	64	2015	Chief Executive Officer, President and Chairman of the Board of AGCO Corporation	X	FP, GN	• AGCO Corporation • PPG Industries, Inc.
Wayne T. Smith	71	2001	Chairman, President & Chief Executive Officer of Community Health Systems, Inc.	X	CMD, FP	• Community Health Systems, Inc.
Robert L. Wood	62	2004	Former Chairman, President & Chief Executive Officer of Chemtura Corporation	X	FP, Chairman of GN	• MRC Global Inc. • Univar Inc.

(1)

AC means Audit Committee

CMD means Compensation & Management Development Committee

FP means Finance & Pension Committee

GN means Governance & Nominating Committee

TSS means Technology, Safety & Sustainability Committee

PROXY STATEMENT HIGHLIGHTS

Board and Governance Highlights

Board Highlights

Corporate Governance Highlights

Praxair has a strong corporate governance structure that compares very favorably to that of other S&P 500 companies and to the standards of recognized governance organizations. The key aspects of our

corporate governance structure are listed below and are discussed more fully in the “Corporate Governance and Board Matters” section of this Proxy Statement.

Board and Governance Information

Size of Board	9	Board Orientation and Continuing Education Program	Yes
Number of Independent Directors	8	Limits service on other Boards	Yes-4 Other Boards
Board Meetings Held in 2016	9	Succession Planning Process	Yes
Annual Election of Directors	Yes	Board Risk Oversight	Yes
Mandatory Retirement Age	72	Codes of Conduct for Directors, Officers and Employees	Yes
Board Diversity	Yes	Stock Ownership Guidelines for Directors and Executive Officers	Yes
Majority Voting in Director Elections	Yes	Anti-Hedging and Pledging Policies	Yes
Proxy Access	Yes	Clawback Policy	Yes
Lead Independent Director	Yes	Rights Agreement (Poison Pill)	No
Independent Directors Meet Without Management Present	Yes	Comprehensive Sustainability Program	Yes

Annual Board Strategy Review	Yes	Shareholders May Call Special Meetings	Yes
Annual Board and Committee Evaluations	Yes		

CORPORATE GOVERNANCE AND BOARD MATTERS

Praxair's Corporate Governance Framework

CORPORATE GOVERNANCE AND BOARD MATTERS

Praxair's Corporate Governance Framework

Praxair operates under Corporate Governance Guidelines which are posted at Praxair's public website, www.praxair.com in the Our Company/Corporate Responsibility section. Consistent with those guidelines, the Board has adopted the following policies and practices, among others:

Director Independence

The Board has adopted independence standards for service on Praxair's Board of Directors which are posted at Praxair's public website referenced above. The Board has applied these standards to all of the non-management directors (all directors are non-management except for Mr. Angel, the Company's Chairman & CEO), and has determined that each

qualifies as independent. The Board is not otherwise aware of any relationship with the Company or its management that could potentially impair the independent judgment of these directors. See also related information in this Proxy Statement under the caption "Certain Relationships and Transactions."

Board Leadership

As set forth under the Corporate Governance Guidelines, the Board believes that the best leadership model for the Company at this time is that of a combined Chairman & CEO, balanced by practices and policies designed to assure effective independence in the Board's oversight, advice and counsel of management. These include having an independent Lead Director, as discussed below. The Governance & Nominating Committee (consisting entirely of independent directors) periodically examines the Board leadership structure as well as other governance practices and conducts an annual assessment of Board and Committee effectiveness. The Governance & Nominating Committee has determined that the present leadership structure is effective and appropriate. The Board believes that the substantive duties of the Chairman, including calling and organizing meetings and preparing agendas, are best performed by someone having day-to-day familiarity with the business issues confronting the Company and an understanding of the specific areas in which management seeks advice and counsel from the Board.

Lead Director

In order to enhance the Board's independence and oversight of management, the independent directors elect a Lead Director from among the independent directors to serve for at least one year. The Board's practice has been to select the Chairman of the Governance & Nominating Committee to serve as the Lead Director. Although elected to serve at least one year, the Lead Director is generally expected to serve multiple terms. Mr. Wood, who is the Chairman of the Governance & Nominating Committee, has been the Lead Director since 2013. The designated responsibilities of the Lead Director are set forth in the Board's Corporate Governance Guidelines and include:

- serving as chairman of the meetings of the independent directors and all meetings of the Board at which the Chairman is not present;
- having the authority to call meetings of the independent directors;
- serving as a liaison between the Chairman and CEO and the independent directors;
- being available to consult with the Chairman and CEO about the concerns of the Board;
- approving the Board meeting agendas and related information sent to the Board;
- approving the Board meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- being available for consultation and direct communication with major shareholders if requested; and
- coordinating an annual performance review of the CEO with input from the Compensation Committee and the other independent directors.

CORPORATE GOVERNANCE AND BOARD MATTERS

Praxair’s Corporate Governance Framework

Board Role in Risk Oversight

At least annually, the full Board reviews the Company’s risk identification, assessment and management processes and the guidelines and policies by which key risks are managed. As part of that review, the Board discusses (1) the key enterprise risks that management has identified, (2) management accountability for managing or mitigating each risk, (3) the steps being taken to manage each risk, and (4) which Board Committees will oversee each risk area on an ongoing basis.

The risk factors disclosed in Item 1A of the Company’s Form 10-K and Annual Report illustrate the range of the risks faced by a global industrial company and help explain the need for strong Board Committee oversight of the management of risks in specific subject areas. Each Committee’s calendar of recurring meeting agenda topics addresses risk areas pertinent to the Committee’s subject-matter responsibilities. These areas include: financing and currency exchange risks (Finance & Pension Committee); compensation risks, and executive development and retention (Compensation Committee); regular review of the Board’s governance practices (Governance & Nominating Committee);

internal controls, investigations, and integrity standards compliance (Audit Committee); and a regular review of the Company’s sustainability program and certain enterprise risks such as natural disasters and plant control systems and security (Technology, Safety & Sustainability Committee). Other risk areas are regularly reviewed by the full Board. These include: safety and environmental risk (covered at each Board meeting), economic, market and competitive risk (part of business operating reports at each Board meeting, and the annual operating and strategic reviews), cyber security, and global compliance risks (supplementing reporting within the Audit Committee). In addition, risk identification and assessment is integrated into Board decision-making with respect to capital projects and acquisitions, entry into new markets, financings, and cash flow analysis, among other matters. In Committee meetings and full Board deliberations, each director brings his or her particular operating, financial, management development, and other experiences and expertise to bear in assessing management’s response to specific risks and in providing advice and counsel with respect to risk mitigation and management.

Board Oversight of Business Strategy

Each year, the Board conducts a comprehensive long-term strategic review of the Company's outlook and business plans and provides advice and counsel to management regarding the Company's strategic issues. This process involves engagement by all Board members and senior management. The Board

performs a detailed review of management's proposed strategy for each of the key business units, which is designed to drive profitability over the near-and long-term independent of the macro environment and drive long-term shareholder value creation.

Board Effectiveness Assessment

The Board assesses its effectiveness annually under a process determined by the Governance & Nominating Committee. Typically, this assessment includes each non-management director completing written questionnaires that are used to evaluate the Board's effectiveness in the areas of Performance of Core Responsibilities, Decision-Making Support, the Quality of Deliberations, Director Performance, and Committee Functions, as well as consideration of additional Board practices and policies recommended as best practices by recognized governance authorities. Similarly, each Committee annually

assesses its effectiveness in meeting its oversight responsibilities under its charter from the Board. The Governance & Nominating Committee reviews the results of the written assessments, provides the results to all Board members, and the Lead Director conducts a discussion of the results in an executive session of the non-management directors. Subsequently, the Governance & Nominating Committee may recommend certain actions be taken to enhance the operations and effectiveness of the Board and its committees.

CORPORATE GOVERNANCE AND BOARD MATTERS

Praxair's Corporate Governance Framework

Governance Practices Review

In addition to leading the annual Board and Committee effectiveness assessment referred to above, the Governance & Nominating Committee annually reviews with an outside expert the Company's governance practices, and updates those practices as it deems appropriate. The Committee considers, among other things, the results of the

Board and Committee effectiveness assessments, developments in Delaware Corporation Law, federal laws and regulations promulgated by the SEC, and the views and standards of recognized governance authorities and institutional investors.

Succession Planning and Personnel Development

The Compensation Committee conducts an annual Succession Planning and Personnel Development session to which all Board members are invited and at which executives are evaluated with respect to their potential for promotion into senior leadership

positions, including that of the CEO. In addition, a wide variety of executives are introduced to the Board by way of Board and Committee presentations, and directors have unrestricted access to a broad cross-section of managers and high potential employees.

Mandatory Director Retirement

The Board's policy is that a director who has attained the age of 72 may not stand for re-election at the next annual shareholders' meeting. The Board also has a

policy against service on the Board by an officer of the Company after his or her retirement, resignation or removal as an officer.

Limits to Service on Other Boards

The Board's policy is that a non-management director may not serve on more than four additional public company boards and a member of the Audit Committee may not serve on more than two additional

public company audit committees. Also, the Chairman & CEO may not serve on more than two additional public company boards.

Shareholder Outreach and Communications with the Board

The Company has a robust shareholder outreach program that it has conducted for many years and which ensures that the Board and management remain responsive to shareholder concerns. This includes ongoing interaction between the Director of Investor Relations and major institutional investors, as well as an extensive shareholder outreach program that is conducted annually.

In addition, the Board has established procedures to enable a shareholder or other interested party to direct a communication to the Board of Directors. Such communications may be confidential or anonymous and may be communicated by mail, e-mail, or telephone. Information on how to submit communications, and how they will be handled, is included at www.praxair.com in the Our Company/Corporate Responsibility section.

CORPORATE GOVERNANCE AND BOARD MATTERS

Praxair's Corporate Governance Framework

Director Attendance at Board and Committee Meetings and the Annual Shareholders Meeting

Absent extenuating circumstances, each member of the Board is expected to attend all meetings of the Board, all meetings of each Committee of which he or she is a member, and the Annual Meeting of Shareholders. All of the then serving directors

attended the 2016 annual meeting. Director meeting attendance is one of the factors that the Governance & Nominating Committee considers in determining whether to re-nominate an incumbent director for election at the Annual Meeting.

Business Integrity and Ethics

Praxair's Board of Directors has adopted policies and standards regarding Compliance with Laws and Business Integrity and Ethics that are posted on Praxair's public website, www.praxair.com, in the Our Company/Corporate Responsibility section and are

available in print to any shareholder who requests it. This Code of Ethics applies to Praxair's directors and to all employees, including Praxair's CEO, CFO and Controller, and other officers.

Director Election by Majority Vote and Resignation Policy

Praxair's Certificate of Incorporation and Bylaws require directors to be elected annually and that a director nominee must receive a majority of the votes cast at an annual meeting in order to be elected (meaning a greater number of "for" votes than “against” votes) in an uncontested election of directors. The Board’s Corporate Governance Guidelines require that any director nominee who is then serving as a director must tender his or her resignation if he or she fails to receive this majority

vote. The Governance & Nominating Committee of the Board would then consider the resignation offer and recommend to the Board whether to accept or reject the resignation, or whether other action should be taken. The Board would take action on the Committee’s recommendation within 90 days following certification of the vote, and promptly thereafter publicly disclose its decision and the reasons therefor.

Proxy Access

A shareholder, or a group of up to 20 shareholders, who have owned at least 3% of the Company’s outstanding common stock continually for at least three years, may nominate persons for election as directors and have these nominees included in the

Company’s proxy statement. The shareholders or group must meet the requirements in the Company’s bylaws. The number of nominees is generally limited to the greater of two persons or 20% of the number of directors serving on the Board.

Shareholder Rights Agreements

The Company does not have a Stockholder Protection Rights Agreement (sometimes referred to as a “Poison Pill”). In addition, the Board’s policy is that the Board will adopt or materially amend a future Stockholder Protection Rights Agreement only if, in the exercise of its fiduciary responsibilities under Delaware law, and acting by a majority of its independent directors, it determines that such action

is in the best interests of Praxair’s shareholders. If the Board adopts or materially amends a Stockholder Protection Rights Agreement, it will submit such action to a non-binding shareholder vote as a separate ballot item at the first annual meeting of shareholders occurring at least six months after such action.

CORPORATE GOVERNANCE AND BOARD MATTERS

Praxair's Corporate Governance Framework

Special Shareholder Meetings

Shareholders may call a special shareholders' meeting in accordance with the conditions set forth in Praxair's Certificate of Incorporation and By-laws.

Director Stock Ownership Guidelines

The Board's policy is that non-management directors must acquire and hold shares of the Company's stock equal in value to at least five times the base cash retainer for non-management directors. Directors have five years from their initial election to meet this

guideline. All non-management directors have met this guideline or are within the five-year transition period afforded to them to do so; and most substantially exceed the guideline.

Executive Stock Ownership and Shareholding Policy

The Board believes that it is important for executive officers to acquire a substantial ownership position in Praxair. In this way, their interests will be more closely aligned with those of shareholders. Significant stock ownership ensures that executives manage Praxair as equity owners.

Accordingly, a stock ownership and shareholding policy has been established for the Company's officers that requires them to own a minimum number of shares as set forth below. Individuals must meet the applicable ownership level no more than five years after first becoming subject to it by acquiring at least 20% of the required stock each year. Until the stock ownership requirement is met, executive

officers (i) may not sell, transfer or otherwise dispose of any of their Praxair common stock, and (ii) must retain and hold all Praxair common stock acquired from all equity incentive awards, net of shares withheld for taxes and option exercise prices, including performance share unit awards, restricted stock unit awards and stock options.

Set forth below is the minimum number of shares required by the policy for each officer position. As of the date of this Proxy Statement, all covered individuals are in compliance with this policy. Stock ownership of the Named Executive Officers can be found in the table presented under the caption "Information on Share Ownership."

	Minimum Shares to be Owned
Chief Executive Officer	100,000
Executive Vice Presidents	30,000
Chief Financial Officer	25,000
Senior Vice Presidents	20,000
Other Executive Officers	10,000-15,000

HEDGING, PLEDGING AND SIMILAR TRANSACTIONS PROHIBITED. Directors and officers may not engage in hedging transactions related to Praxair's stock that would have the effect of

reducing or eliminating the economic risk of holding Praxair stock. They also may not pledge or otherwise encumber Praxair stock.

Review, Approval or Ratification of Transactions with Related Persons

The Company's Compliance with Laws and Business Integrity and Ethics Policy ("Ethics Policy") prohibits employees, officers and Board members from having

a personal, financial or family interest that could in any way prevent the individual from acting in the best interests of the Company (a "conflict of interest") and

CORPORATE GOVERNANCE AND BOARD MATTERS

Praxair’s Corporate Governance Framework

provides that any conflict of interest waiver relating to Board members or executive officers may be made only after review and approval by the Board upon the recommendation of its Governance & Nominating Committee. In addition, the Board’s Corporate Governance Guidelines require that any “related party transaction” by an executive officer or director be pre-approved by a committee of independent and disinterested directors. For this purpose, a “related party transaction” means any transaction or relationship that is reportable under Regulation S-K, Item 404, of the Securities and Exchange Commission (“SEC”) or that, in the case of a non-management director, would violate the Board’s independence standards.

REPORTING AND REVIEW PROCEDURES. To implement the foregoing policies, the Governance & Nominating Committee has adopted a written procedure for the Handling of Potential Conflicts of Interests which specifies a process for the referral of potential conflicts of interests to the Board and standards for the Board’s evaluation of those matters. This policy applies to any transaction or relationship involving an executive officer, a member of the Board of Directors, a nominee for election as a director of the Company, or a family member of any of the foregoing which (1) could violate the Company’s Ethics Policy provisions regarding conflicts of interest, (2) would be reportable under the SEC’s disclosure rules, or (3) in the case of a non-management director, would violate the Board’s independence standards.

Under this procedure, potential conflicts of interest are reported to the Corporate Secretary for preliminary analysis to determine whether referral to the Governance & Nominating Committee is appropriate. Potential conflicts of interest can be self-identified by the director or executive officer or may arise from internal audits, the integrity hotline or other referrals,

or through periodic due diligence conducted by the Corporate Secretary’s office. The Governance & Nominating Committee then examines the facts and circumstances of each matter referred to it and makes a final determination as to (1) whether the transaction or relationship would (or does) constitute a violation of the conflicts of interest provisions of the Company’s Ethics Policy, and (2) whether the transaction or relationship should be approved or ratified and the conditions, if any, of such approval or ratification. In determining whether a transaction or relationship constitutes a violation of the conflicts of interest provisions of the Company’s Ethics Policy, the Governance & Nominating Committee considers, among other factors, the materiality of the transaction or relationship to the individual’s personal interest, whether the individual’s personal interest is materially adverse to or competitive with the interests of the Company, and whether the transaction or relationship materially interferes with the proper performance of the individual’s duties or loyalty to the Company. In determining whether to approve or ratify a transaction or relationship, the Governance & Nominating Committee considers, among other factors, whether the matter would constitute a violation of the conflicts of interest provisions of the Company’s Ethics Policy, whether the matter would violate the NYSE listing standards, the expected practical impact of the transaction or relationship on the individual’s independence of judgment or ability to act in the best interests of the Company, the availability, practicality and effectiveness of mitigating controls or safeguards such as recusal, restricted access to information, reassignment etc., and the best interests of the Company and its shareholders generally.

APPLICATION OF POLICIES & PROCEDURES. During 2016, no actual or potential conflicts of interest were identified with respect to the executive officers and directors of the Company.

Certain Relationships and Transactions

When determining whether any director or nominee is independent, the Board considers all facts and circumstances and any relationships that a director or nominee may have with the Company, directly or indirectly, other than in the capacity of serving as a director. To assist the Board in making independence determinations, it also applies the independence standards which are posted at Praxair's public website, www.praxair.com in the Our Company/Our People/Our Board of Directors section. In February 2017, the Board considered the following circumstances and relationships of those directors

and nominees who then had any direct or indirect relationship with the Company. In the ordinary course of its business, (1) Praxair: sells medical oxygen and other industrial gases products to Community Health Systems, Inc. of which Mr. Smith is an executive officer; and (2) sells industrial gases to AGCO Corporation, of which Mr. Richenhagen is an executive officer. The 2016 consolidated revenues for each of Praxair, Community Health and AGCO Corporation were $10.5 billion, $18.4 billion, and $7.4 billion, respectively. For the last three fiscal years, the dollar value of Praxair's sales to Community

CORPORATE GOVERNANCE AND BOARD MATTERS

Praxair's Corporate Governance Framework

Health ranged from $1.3 million to $4.7 million, and sales to AGCO Corporation ranged from $1.5 million to $2.4 million. Such sale and purchase transactions were well below the limits set forth in the Board's independence standards and, for any of the last three fiscal years, were significantly less than 1% of either Praxair's, Community Health Systems', or AGCO

Corporation's consolidated revenues. Therefore, the Board has determined that such ordinary course business relationships are not material and do not otherwise impair the ability of either Mr. Smith or Mr. Richenhagen to exercise independent judgment as a director.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely upon a review of SEC Forms 3, 4 and 5 furnished to the Company and written representations from the Company's executive officers and directors,

the Company believes that those persons complied with all Section 16(a) filing requirements during 2016 with respect to transactions in the Company's stock.

Director & Nominee Selection Criteria

The Governance & Nominating Committee will consider any candidate for election to the Board who is timely recommended by a shareholder and whose recommendation otherwise complies with the requirements under Praxair's certificate of incorporation. Recommendations should be sent to the Corporate Secretary of Praxair and should include the candidate's name and qualifications and a statement from the candidate that he or she consents to being named in the proxy statement and will serve as a director if elected. In order for any candidate to be considered by the Governance & Nominating Committee and, if nominated, to be included in the proxy statement, such recommendations must be received by the Corporate Secretary on or before the date specified in this Proxy Statement under the caption "Shareholder Proposals for the 2018 Annual Meeting."

In addition to considering any shareholder-recommended candidates for election as directors, prior to each annual meeting of shareholders, the Governance & Nominating Committee considers each of the incumbent directors for nomination for reelection to the Board, unless an incumbent does not wish to be reelected or will be retiring from the Board under the Board's retirement policy.

The qualities and skills sought in director nominees are governed by the projected needs of the Board at the time the Governance & Nominating Committee considers adding a new director or renominating incumbent directors. Consistent with the Board's Corporate Governance Guidelines, the Committee seeks to build and maintain a Board that contains a range of experiences, competencies, and perspectives that is well-suited for advice and counsel

to, and oversight of, the Company's business and operations. In doing so, the Committee takes into account a variety of factors, including:

(1) the Company's strategies and its market, geographic and regulatory environments, both current and projected,

(2) the mix of experiences, competencies, and perspectives (including gender, ethnic and cultural diversity) currently represented on the Board,

(3) the results of the Board's annual self-assessment process,

(4) the CEO's views as to areas in which management would like to have additional advice and counsel from the Board, and

(5) with respect to the incumbent directors, meeting attendance, participation and contribution, and the director's current independence status.

The Committee also seeks in each director candidate a breadth of experience and background that (a) will allow the director to contribute to the full range of issues confronting a global industrial company and (b) will qualify the director to serve on, and contribute to, any of the Board's standing committees, thus facilitating the Board's committee rotation policy. In addition, the Governance & Nominating Committee believes that every director nominee should demonstrate a strong record of integrity and ethical conduct, an absence of conflicts that might interfere with the exercise of his or her independent judgment, and a willingness and ability to represent all shareholders of the Company.

CORPORATE GOVERNANCE AND BOARD MATTERS

Praxair's Corporate Governance Framework

When the need to recruit a director arises, the Governance & Nominating Committee will consult the other directors and the CEO, and will typically engage third party recruiting firms to identify potential candidates. The candidate evaluation process may include inquiries as to the candidate's reputation and background, examination of the candidate's experiences and skills in relation to the Board's needs at the time, consideration of the candidate's independence as measured by the Board's independence standards, and other considerations that the Governance & Nominating Committee deems appropriate at the time. Prior to formal consideration by the Governance & Nominating Committee, any candidate who passes such screening is interviewed by the Governance & Nominating Committee or its Chairman and by the CEO.

Additional information about the specific skills, qualifications and backgrounds of each of the director nominees is set forth in this Proxy Statement under the under caption "Director Nominees."

PROXY ACCESS NOMINEES. The foregoing description applies only to the Governance & Nominating Committee's consideration of director nominees who may be nominated by the Committee itself. It does not apply to persons nominated by eligible shareholders under the Company's Proxy Access structure which has separate requirements that are set forth in the Company's bylaws.

CORPORATE GOVERNANCE AND BOARD MATTERS

Board Committees

Board Committees

The Board currently has five standing committees as described below and each is comprised of only independent directors. The Charters for each of these committees may be found on Praxair's public website, www.praxair.com, in the Our Company/Our People/Our Board of Directors section.

Director	Board Committees Audit Committee	Compensation & Management Development Committee	Finance & Pension Committee	Governance & Nominating Committee	Technology, Safety & Sustainability Committee
OSCAR BERNARDES		•	•		•
NANCE K. DICCIANI	•	•			Chairperson
EDWARD G. GALANTE		Chairman		•	•
IRA D. HALL (1)	•		•		
RAYMOND W. LEBOEUF	Chairman			•	
LARRY D. MCVAY	•		Chairman		•
MARTIN H. RICHENHAGEN			•	•	
WAYNE T. SMITH		•	•		
ROBERT L. WOOD			•	Chairman	

(1) Mr. Hall is retiring from the Board immediately prior to the Annual Meeting.

Description of Key Committee Functions

AUDIT COMMITTEE

Committee Chair Raymond W. LeBoeuf Current Members:	The Audit Committee assists the Board in its oversight of (a) the independence, qualifications and performance of Praxair's independent auditor, (b) the integrity of Praxair's financial statements, (c) the performance of Praxair's internal audit function, and (d) Praxair's compliance with legal and regulatory requirements. In furtherance of these responsibilities, the Audit Committee, among other duties, (1) appoints the independent auditor to audit Praxair's financial statements, approves the fees and terms of such engagement, approves any non-audit engagements of the independent auditor, and meets regularly with, and receives various reports from, the independent auditor. The independent auditor reports directly to the Audit Committee;

Nance K. Dicciani Ira D. Hall (retiring) Larry D. McVay Meetings in 2016 5	(2) reviews Praxair's principal policies for accounting and financial reporting and its disclosure controls and processes, and reviews with management and the independent auditor Praxair's financial statements prior to their publication; (3) reviews assessments of Praxair's internal controls, the performance of the Internal Audit function, the performance evaluations of the General Auditor and the Chief Compliance Officer, and the guidelines and policies by which Praxair undertakes risk assessment and risk management; and (4) reviews the effectiveness of Praxair's compliance with laws, business conduct, integrity and ethics programs.

CORPORATE GOVERNANCE AND BOARD MATTERS

Board Committees

COMPENSATION & MANAGEMENT DEVELOPMENT COMMITTEE

Committee Chair Edward G. Galante Current Members: Oscar Bernardes Nance K. Dicciani Wayne T. Smith Meetings in 2016 6	The Compensation Committee assists the Board in its oversight of (a) Praxair's compensation and incentive policies and programs, and (b) management development and succession, in both cases particularly as they apply to Praxair's executive officers. In furtherance of these responsibilities, the Compensation Committee, among other duties, (1) determines Praxair's policies relating to the compensation of executive officers and assesses the competitiveness and appropriateness of their compensation and benefits; (2) determines the salaries, performance-based variable compensation, equity awards, terms of employment, retirement or severance, benefits, and perquisites of executive officers; (3) approves corporate goals relevant to the CEO's compensation, evaluates the CEO's performance in light of these goals and sets the CEO's compensation accordingly; (4) reviews management's long-range planning for executive development and succession, and develops a CEO succession plan; (5) reviews design, administration and risk associated with Praxair's management incentive compensation and equity compensation plans; and (6) reviews periodically the Company's diversity policies and objectives, and programs to achieve those objectives.

Certain Committee Processes for Determining Executive Compensation

DELEGATION AND CEO INVOLVEMENT. Except under limited circumstances, the Compensation Committee may not delegate its executive compensation authority to any other persons. With respect to the allocation of compensation and awards to employees other than the executive officers, the Compensation Committee may, and has, delegated authority to the CEO, subject to guidelines established by the Compensation Committee. The CEO does not determine the compensation of any of the executive officers but he does offer for the Compensation Committee's consideration his views on relevant matters, as described in more detail in this Proxy Statement in the CD&A section.

COMPENSATION RISK ANALYSIS. The Compensation Committee considers whether the Company's compensation policies and practices create incentives for risk-taking that could have a material adverse effect on the Company. Each year, the Compensation Committee examines management's review of the Company's incentive compensation programs applicable to all employees, including executive officers, in order to evaluate

whether they encourage excessive risk-taking through either the design of the executive and management incentive programs, or operational decision-making that could affect compensation payouts. The Compensation Committee has determined that (1) there exist sufficient operational controls, checks and balances that prevent or constrain compensation-driven decision-making that is inappropriate or excessively risky including, among others, frequent risk discussions with the Board, particularly in connection with capital project or acquisition proposals, (2) the Company does not use highly leveraged short-term incentives that would tend to drive high short-term risk decisions or unsustainable gains, and (3) the Company's executive stock ownership policy and the "recapture" policy described in the CD&A also serve as disincentives for unacceptable risk-taking. Based upon this review, the Compensation Committee has concluded that the Company's incentive compensation programs and related controls are designed appropriately and that risks arising from the Company's compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

A more detailed description of how the Compensation Committee considers and determines executive compensation is described in this Proxy Statement in the CD&A section.

CORPORATE GOVERNANCE AND BOARD MATTERS

Board Committees

GOVERNANCE & NOMINATING COMMITTEE

Committee Chair Robert L. Wood Current Members: Edward G. Galante Raymond W. LeBoeuf Martin H. Richenhagen Meetings in 2016 5	The Governance & Nominating Committee assists the Board in its oversight of (a) the selection, qualifications, compensation and performance of Praxair's directors, (b) Praxair's governance, including the practices and effectiveness of the Board, and (c) various important public policy concerns that affect the Company. In furtherance of these responsibilities, the Governance & Nominating Committee, among other duties, (1) recommends to the Board nominees for election as directors, and periodically reviews potential candidates, including incumbent directors; (2) reviews policies with respect to the composition, compensation, organization and practices of the Board, and developments in corporate governance matters generally; and (3) reviews Praxair's policies and responses to broad public policy issues such as social responsibility, corporate citizenship, charitable contributions, legislative issues, and important shareholder issues, including management and shareholder proposals offered for shareholder approval.

FINANCE & PENSION COMMITTEE

Committee Chair Larry D. McVay Current Members: Oscar Bernardes Ira D. Hall (retiring) Martin H. Richenhagen	The Finance & Pension Committee assists the Board in its oversight of (a) Praxair's financial position and financing activities, (b) Praxair's financial risk management policies and activities, and (c) the ERISA-qualified, funded plans sponsored by Praxair. In furtherance of these responsibilities, the Finance & Pension Committee, among other duties, (1) monitors Praxair's financial condition and its requirements for financing, and reviews, and recommends to the Board, the amounts, timing, types and terms of public stock issues and public and private debt issues; (2) reviews Praxair's foreign exchange and interest rate exposures, the results of its foreign exchange hedging activities, and Praxair's practices for managing insurable risks; (3) reviews Praxair's policies on dividends and stock repurchases; and (4) appoints administration and investment committees to act as fiduciaries of Praxair's funded benefit plans, and reviews the investment performance, administration and funded status of such plans.

Wayne T. Smith
Robert L. Wood
Meetings in 2016
3

TECHNOLOGY, SAFETY & SUSTAINABILITY COMMITTEE

Committee Chair Nance K. Dicciani Current Members: Oscar Bernardes Edward G. Galante Larry D. McVay Meetings in 2016 2	The Technology, Safety & Sustainability Committee assists the Board in its oversight of: (a) technology and research & development, including the use of technology in products applications; (b) safety, particularly the use of technology in enhancing safety performance; (c) sustainability and environmental matters; and (d) certain enterprise risks. In furtherance of these duties, the Technology, Safety & Sustainability Committee, among other duties, (1) reviews and evaluates Praxair's use of technology and its technology capabilities and Praxair's strategies, objectives and effectiveness of research and development efforts; (2) monitors and reviews Praxair's personnel, process and distribution safety goals and performance and the use of technology to enhance safety performance; (3) reviews Praxair's policies, programs and practices related to sustainability and the environment; and (4) provides oversight and guidance on certain enterprise risks that are not otherwise reviewed by the full Board of Directors or its other committees including (a) natural disasters, and (b) plant control systems security.

CORPORATE GOVERNANCE AND BOARD MATTERS

Director Compensation

Director Compensation

Director Compensation Program

The Company paid the amounts reported in the 2016 Director Compensation table below pursuant to its director compensation program in effect for 2016. The Company does not pay any director who is a Company employee (Mr. Angel in 2016) for serving as a member of the Board of Directors or any committee of the Board of Directors. The Governance & Nominating Committee of the Board determines non-management director compensation consistent with the Directors' Compensation principles set forth in the Corporate Governance Guidelines. The director compensation program in effect for 2016 is described below.

Cash Compensation

- A $100,000 annual retainer paid quarterly.
- An additional $15,000 annual retainer paid quarterly to each chairman of a Board committee ($20,000 for the chairman of the Audit Committee).
- An additional $25,000 annual retainer paid quarterly to the Lead Director.

Equity Compensation

Each active non-management director participates in the Amended and Restated 2009 Praxair, Inc. Long Term Incentive Plan. The Plan allows for grants of stock options, restricted stock, unrestricted stock, and restricted stock units or any combination thereof, as the Governance & Nominating Committee determines. The Committee may make an annual equity grant under this Plan to each non-management director having a value up to an amount set by the Board. For 2016, the Board set this amount at $160,000.

The Governance & Nominating Committee selected restricted stock units as the sole form of equity for the 2016 grant. The restricted stock units are fully vested (non-forfeitable) after one-year from the date of grant, and will be forfeited if a director's service on the Board terminates for any reason before the one year anniversary of the grant. Restricted stock units will be paid out as soon as practicable after the vesting date unless a director further defers the payout.

The number of restricted stock units granted so as to deliver the $160,000 value as of the April 26, 2016 grant date was based upon the average of the closing prices of the Company's stock for the 200 trading

days prior to April 1, 2016. Because the closing price of the Company's stock on April 26, 2016 was higher than this 200-day average, the full grant date fair market value of the restricted stock units granted on April 26, 2016 and reported in the 2016 Director Compensation Table below was $175,667.

Fees Deferral Plan

Under the Directors' Fees Deferral Plan, non-management directors may, before the beginning of a calendar year, elect to defer to a later date payment of some or all of the cash fees that may be earned in the upcoming year. A director may fix this deferred payment date when making a deferral election. A director also chooses whether the deferred fees will earn amounts based upon a "Cash Account," or a "Stock Unit Account." The Cash Account earns interest at the prime rate, while the value of the Stock Unit Account tracks the market price of the Company's common stock. Stock Unit Accounts are also credited with additional stock units whenever dividends are paid on the Company's common stock. Dividends are credited at the same rate as they are paid to all shareholders. Stock units provide directors the economic equivalent of owning the Company's stock, except that the units may not be transferred or sold and they do not provide any voting or other shareholder rights. The "Cash Account" is paid to the director in cash on the designated payment date. The "Stock Unit Account" is paid in shares of Company common stock upon his or her termination of service as a director or the attainment of an age specified by the director not to exceed age 75.

Expenses

The Company pays or reimburses directors for travel, lodging and related expenses incurred in connection with attending board and committee meetings, the Annual Meeting and other Company business-related events (including the expenses related to the attendance of spouses if they are specifically invited for appropriate business purposes), and may provide use of Company chartered aircraft. From time to time, the Company may reimburse a director's expenses for his or her participation in third party-supplied continuing education related to the director's board or committee service.

CORPORATE GOVERNANCE AND BOARD MATTERS

Director Compensation

The table below shows (i) the fees that the Company’s non-management directors earned in 2016, (ii) the value of restricted stock units granted in

2016, and (iii) other amounts disclosed as “All Other Compensation.”

2016 DIRECTOR COMPENSATION TABLE

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(4)	All Other Compensation ($)(5)	Total ($)
Oscar Bernardes	100,000	175,667	0	0	0	0	275,667
Nance K. Dicciani	115,000	175,667	0	0	0	15,000	305,667
Edward G. Galante	115,000	175,667	0	0	0	0	290,667
Ira D. Hall (6)	120,000	175,667	0	0	0	15,000	310,667
Raymond W. LeBoeuf	100,000	175,667	0	0	0	15,000	290,667
Larry D. McVay	115,000	175,667	0	0	0	14,000	304,667
Denise L. Ramos (7)	75,000	0	0	0	0	0	75,000
Martin H. Richenhagen	100,000	175,667	0	0	0	0	275,667
Wayne T. Smith	100,000	175,667	0	0	0	0	275,667
Robert L. Wood	140,000	175,667	0	0	0	0	315,667

(1) Certain non-management directors elected to defer some or all of their cash retainers earned in 2016 pursuant to the Directors’ Fees Deferral Plan described above. Any deferred amounts are included in this column.

(2) Full grant date fair value of restricted stock units granted to each director on April 26, 2016 as determined under accounting standards related to shared-based compensation.

(3) At December 31, 2016, the non-management directors had the following outstanding stock option awards: Oscar Bernardes 0 shares; Nance K. Dicciani, 6,146 shares; Edward G. Galante, 9,025 shares; Ira D. Hall, 0 shares; Raymond W. LeBoeuf, 8,485 shares; Larry D. McVay 0 shares; Denise L. Ramos, 0 shares; Martin H. Richenhagen, 0 shares; Wayne T. Smith, 0 shares; and Robert L. Wood, 3,885 shares.

(4)

Some non-management directors defer cash fees pursuant to the Directors' Fees Deferral Plan and/or have balances from previous deferrals. As none of the earnings on these deferred amounts is above-market or otherwise preferential, no amounts are included in this column.

(5) Amounts in this column do not represent compensation paid to the directors. These amounts are the Company's 2016 matching contributions for the director's eligible charitable donations. SEC rules require disclosure of these amounts in this table. In 2016, Praxair matched personal donations to eligible charitable institutions up to a $15,000 maximum per year per donor. This matching gift program is available to Company employees and non-management directors on the same basis.

(6) Mr. Hall will retire from the Board immediately prior to the 2017 Annual Meeting.

(7) Ms. Ramos resigned from the Board in September 2016, and received compensation through the effective date of her resignation.

CORPORATE GOVERNANCE AND BOARD MATTERS

Director Nominees

Director Nominees

Experience and Qualifications of All Nominees

Nine persons will be elected to the Board to serve until the 2018 Annual Meeting of shareholders and the election and qualifications of their successors. The Governance & Nominating Committee has nominated each current director of the Board for reelection at the Annual Meeting except for Mr. Hall, who is retiring from the Board immediately before the Annual Meeting. The Governance & Nominating Committee believes that each director nominee has an established record of accomplishment in areas relevant to our business and objectives and possesses the characteristics identified in our Corporate Governance Guidelines as essential to a well-functioning and deliberative governing body, including integrity, independence and commitment.

Each of the director nominees listed below has experience as a senior executive of a public company. Each nominee also is serving or has served as a director of one or more public companies and on a variety of board committees. As such, each has executive management and director oversight experience in most, if not all, of the following areas which are critical to the conduct of the Company's business, including: strategy development and implementation, risk assessment and management, financial accounting and reporting, internal controls, corporate finance, capital project evaluation, the evaluation, compensation, motivation and retention of senior executive talent, public policies as they affect global industrial corporations, compliance, corporate governance, productivity management, safety management, project management, and, in most cases, global operations. Many of the nominees also bring particular insights into specific end-markets and foreign markets that are important to the Company. These nominees collectively provide a range of perspectives, experiences and competencies well-suited to providing advice and counsel to management and to overseeing the Company's business and operations. In addition to these qualifications that are shared by all of the nominees, more specific information about each of their individual experience and qualifications is included below.

The following pages include information about those persons currently serving on Praxair's Board of Directors who have been nominated for election to serve until the 2018 annual meeting and until their successors are elected and qualify. The graph below shows the number of directors who have certain of the skills, qualifications and experience in key areas that are important for the Board's oversight of the Company's business.

Director Meeting Attendance

During 2016, the Board held nine meetings. The nominees for reelection to the Board collectively attended 98% of all Board meetings and meetings of committees of which they are members.

CORPORATE GOVERNANCE AND BOARD MATTERS

Director Nominees

STEPHEN F. ANGEL
Chief Executive Officer and Chairman of Praxair

Age	61	Qualification Highlights
Director Since	2006	• Industry
Other Public Company Directorships	PPG Industries, Inc.	• Praxair End-Markets
		• Praxair Foreign Markets
		• Operations
		• International business
		• Technology
		• Risk Management
		• Public company board

BIOGRAPHY

Chief Executive Officer of Praxair, Inc. since January 1, 2007, and Chairman since May 1, 2007. Before becoming the Chief Executive Officer, Mr. Angel served as President & Chief Operating Officer from March to December 2006, and as Executive Vice President from 2001 to March 2006. Prior to joining Praxair in 2001, Mr. Angel spent 22 years in a variety of management positions with General Electric.

Mr. Angel is a director of PPG Industries, Inc. (where he serves on the Officers-Directors Compensation Committee and is Chairman of the Technology and Environment Committee). He is also a member of The Business Council, is a Co-Chair of the U.S. – Brazil CEO Forum, and a member of the Board of the U.S. – China Business Council where he serves on its Nominating Committee.

EXPERIENCE AND QUALIFICATIONS

As the Chief Executive Officer of the Company and a former senior operating executive at General Electric, a global diversified manufacturing company, Mr. Angel brings the senior executive experience and skills described above. He also has a deep insight into the industrial gases industry and the needs, challenges and global opportunities of the Company in particular. Mr. Angel utilizes his deep operating experience and knowledge of the industry and the Company in performing his role as Chairman to, among other things, drive capital discipline and to help facilitate Board discussions and keep the Board apprised of significant developments in the Company's business.

OSCAR BERNARDES

Managing partner at Yguapora Consultoria e Empreendimentos Ltda.

Age	70	Qualification Highlights
Director Since	2010	• Praxair End-Markets
Other Public Company Directorships	DASA Laboratorios da America SA	• Praxair Foreign Markets
	Localiza Rent A Car S.A. Marcopolo S.A.	• Operations
		• International business
		• Risk Management
		• Public company board

BIOGRAPHY

Managing partner at Yguapora Consultoria e Empreendimentos Ltda. in São Paulo, Brazil, a consulting and investment firm. From 2003 to 2010, he was a managing partner at Integra Assessoria em Negocios Ltda. in São Paulo, Brazil, a consulting firm specializing in financial restructuring, governance and interim management in turnaround situations. From 1997 to 1999, he was Chief Executive Officer of Bunge International, a leading global agribusiness and food company. Prior to joining Bunge, he was Senior Vice President and Managing Partner for Latin America with Booz Allen and Hamilton, Inc. and prior to that, operations director in Brazil for Ferro Corporation.

Mr. Bernardes is a director of three public companies in Brazil: DASA Laboratorios da America SA, Localiza Rent A Car S.A. (where he is Chairman of the Audit Committee), and Marcopolo S.A. During the past five years, he was also a director of Gerdau S.A., Metalurgica Gerdau S.A., Johnson Electric Holdings Ltd. in Hong Kong, and São Paulo Alpargatas S.A. He is also on the advisory board of Amerys, Johnson Electric and a Board Member of Votorantim Participacoes and OMINI, both private companies.

CORPORATE GOVERNANCE AND BOARD MATTERS

Director Nominees

EXPERIENCE AND QUALIFICATIONS

As a former chief executive officer at Bunge International, and as a senior executive of Booz Allen and Hamilton, Mr. Bernardes brings the senior executive experience and skills described above. He also has an in-depth understanding of markets and business operations in South America generally, and in Brazil particularly, where the Company has a large presence.

NANCE K. DICCIANI
Former President & Chief Executive Officer of Honeywell Specialty Materials

Age	69	Qualification Highlights
Director Since	2008	• Industry
Other Public Company Directorships	AgroFresh Solutions, Inc. Halliburton Company LyondellBasell Industries	• Praxair End-Markets • Praxair Foreign Markets • Operations • International business • Technology • Risk Management • Public company board

BIOGRAPHY

Former President & Chief Executive Officer of Honeywell Specialty Materials, a strategic business group of Honeywell International, Inc., from 2001 until her retirement in 2008. Dr. Dicciani joined Honeywell from Rohm and Haas Company where she was Senior Vice President and Business Group Executive of Chemical Specialties and Director of the European Region, responsible for business strategy and worldwide operations of five business units and for the company's operations and infrastructure in Europe, the Middle East and Africa. Previously, she served as Rohm and Haas' Vice President and General Manager of the Petroleum Chemicals division and headed the company's worldwide Monomers business.

In 2006, President George W. Bush appointed Dr. Dicciani to the President's Council of Advisors on Science and Technology. She has served on the Board of Directors and Executive Committee of the American Chemistry Council and has chaired its Research Committee. She currently serves on the Board of Directors of AgroFresh Solutions, Inc. (where she serves as non-executive Chair and a member of the Compensation Committee). Dr. Dicciani also serves on the Board of Directors of Halliburton Company (where she serves on the Audit, and the Health, Safety and Environment Committees), LyondellBasell Industries (where she serves on the Finance, and the Health, Safety and Environmental Committees), and on the Board of Trustees of Villanova University. During the past five years, Dr.

Dicciani also served on the Board of Directors of Rockwood Holdings, Inc. (where she was the Lead Director and served on the Compensation Committee and was the Chairperson of the Corporate Governance and Nominating Committee).

EXPERIENCE AND QUALIFICATIONS

As a former senior operating executive at Honeywell, a global industrial and consumer products manufacturing company, and at Rohm and Haas, a global chemicals company, Dr. Dicciani brings the senior executive experience and skills described above. She also has a substantial understanding of technology policy, management and markets. Her technical expertise in the chemical industry, an important end-market for the Company, and her international operations experience, also enable her to provide the Board and management with valuable insight and counsel.

CORPORATE GOVERNANCE AND BOARD MATTERS

Director Nominees

EDWARD G. GALANTE
Former Senior Vice President of ExxonMobil Corporation

Age	66	Qualification Highlights
Director Since	2007	• Praxair End-Markets
Other Public Company Directorships	Celanese Corporation	• Praxair Foreign Markets
	Clean Harbors, Inc.	• Operations
	Tesoro Corporation	• International business
		• Technology
		• Risk Management
		• Public company board

BIOGRAPHY

Former Senior Vice President and a member of the Management Committee of ExxonMobil Corporation from 2001 until his retirement in 2006. His principal responsibilities included the worldwide downstream business - Refining & Supply, Fuels Marketing, Lubricants and Specialties, and Research and Engineering. Immediately prior to that, Mr. Galante was Executive Vice President of ExxonMobil Chemical Company.

Mr. Galante is the Lead Independent director of Celanese Corporation (where he serves on the Compensation and Management Development Committee and the Environmental, Health, Safety and Public Policy Committee), a director of Clean Harbors, Inc. (where he is Chairman of the Corporate Governance Committee and serves on the Compensation Committee), and a director of Tesoro Corporation (where he serves on the Compensation Committee and the Environmental, Health, Safety and Security Committee). He also serves on the Board of the United Way Foundation of Metropolitan Dallas, and is the Vice Chairman of the Board of Trustees of Northeastern University. During the past five years, Mr. Galante also served on the Board of Directors of Foster Wheeler Ltd. (where he served on the Audit Committee and was the Chairman of the Compensation and Executive Development Committee).

EXPERIENCE AND QUALIFICATIONS

As a former senior operating executive at ExxonMobil, one of the largest global energy companies, Mr. Galante brings the senior executive experience and skills described above and also has significant experience in the operations and management of a large, global business. He has substantial experience in the oil, gas, refining and chemical sectors of the energy industry, all of which are important end markets for the Company, as well as an in-depth understanding of engineering management, operations and technology, which are important in the execution of many of the Company’s large capital projects.

RAYMOND W. LEBOEUF
Former Chairman & Chief Executive Officer of PPG Industries, Inc.

Age	70	Qualification Highlights
Director Since	1997	• Industry
Other Public Company Directorships	MassMutual Financial Group	• Praxair End-Markets
		• Praxair Foreign Markets
		• Operations
		• International business
		• Financial Expert
		• Risk Management
		• Public company board

BIOGRAPHY

Former Chairman & Chief Executive Officer of PPG Industries, Inc. (principally a manufacturer of coatings) from 1997 to 2005. From 1995 to 1997, Mr. LeBoeuf served as President & Chief Operating Officer of PPG Industries, Inc. and was elected a director in 1995. From 1988-1994, he was the Chief Financial Officer of PPG.

Mr. LeBoeuf is a director of MassMutual Financial Group (where he serves on the Audit Committee and is the Chairman of the Human Resources Committee).

CORPORATE GOVERNANCE AND BOARD MATTERS

Director Nominees

EXPERIENCE AND QUALIFICATIONS

As a former Chief Executive Officer and Chief Financial Officer of PPG Industries, a global diversified manufacturing company, Mr. LeBoeuf brings the senior executive experience and skills described above. He also has an in-depth understanding of corporate and international finance, accounting, financial reporting and internal controls and the review and preparation of financial statements.

LARRY D. MCVAY Principal of Edgewater Energy, LLC		
Age	69	Qualification Highlights
Director Since	2008	• Praxair End-Markets
Other Public Company Directorships	Callon Petroleum Company Chicago Bridge and Iron Company	• Praxair Foreign Markets • Operations • International business • Technology • Risk Management • Public company board

BIOGRAPHY

Principal of Edgewater Energy, LLC, an oil and gas industry investment firm. Mr. McVay served as the Chief Operating Officer of TNK-BP Holding from 2003 until his retirement in 2006. TNK-BP Holding, based in Moscow, Russia, was a vertically integrated oil company that was 50%-owned by BP PLC. Mr. McVay's responsibilities at TNK-BP included executive leadership for the upstream, downstream, oil field services, technology and supply chain management. He previously served as Technology Vice President — Operations and Vice President of Health Safety Environment for BP's Exploration and Production operations from 2000 to 2003. Prior to joining BP, Mr. McVay held numerous positions at Amoco, including engineering management and senior operating leadership positions.

Mr. McVay is a director of Callon Petroleum Company (where he serves on the Audit Committee, the Compensation Committee, the Nominating and Governance Committee and is the Chairman of the Strategic Planning and Reserves Committee) and Chicago Bridge & Iron Company (where he serves on the Audit Committee, the Strategic Initiatives Committee and is the Chairman of the Corporate Governance Committee).

EXPERIENCE AND QUALIFICATIONS

As a former senior operating executive at BP, one of the largest global energy companies, Mr. McVay brings the senior executive experience and skills described above. He has an in-depth understanding of engineering management and of worldwide energy markets, operations and technology, all of which are important to the Company's operations, particularly those involving large capital project investments. He also has practical experience in operating in Russia and the Middle East, both of which are emerging markets for the Company.

CORPORATE GOVERNANCE AND BOARD MATTERS

Director Nominees

MARTIN H. RICHENHAGEN
Chairman, President and Chief Executive Officer of AGCO Corporation

Age	64	Qualification Highlights
Director Since	2015	• Praxair Foreign Markets
Other Public Company Directorships	AGCO Corporation	• Operations
	PPG Industries, Inc.	• International business
		• Risk Management
		• Public company board

BIOGRAPHY

President and Chief Executive Officer of AGCO Corporation, a global manufacturer and distributor of agricultural equipment, since 2004, and Chairman of the Board of Directors since 2006. From 2003 -2004, Mr. Richenhagen was Executive Vice President of Forbo International SA, a flooring material company headquartered in Switzerland. He also served as Group President for CLAAS KgaA mbH, a global agricultural equipment manufacturer and distributor headquartered in Germany, from 1998 – 2002. Mr. Richenhagen was the Senior Executive Vice President for Schindler Deutschland Holdings GmbH in Germany, a worldwide manufacturer and distributor of elevators and escalators, from 1995 – 1998.

Mr. Richenhagen is a director of PPG Industries, Inc., a leading coatings and specialty products and services company (where he is Chairman of the Audit Committee and serves on the Officers-Directors Compensation Committee). He is the Chairman of the German American Chambers of Commerce of the United States, and he is a member of the U.S. Chamber of Commerce Board of Directors. Mr. Richenhagen has served as Chairman of the Board of the Association of Equipment Manufacturers (AEM) and is a Life Honorary Director of AEM.

EXPERIENCE AND QUALIFICATIONS

As Chairman, President and Chief Executive Officer of AGCO Corporation, a large international manufacturer and distributor of agricultural equipment, Mr. Richenhagen brings the senior executive experience and skills described above. In particular, his background includes extensive international, operational and manufacturing experience. In addition, AGCO Corporation operates in many of the foreign markets in which the Company operates, including Europe and South America, and Mr. Richenhagen therefore adds his understanding of these large, foreign markets where the Company has a significant presence.

WAYNE T. SMITH
Chairman, President & Chief Executive Officer of Community Health Systems, Inc.

Age	71	Qualification Highlights
Director Since	2001	• Praxair End-Markets

Other Public Company Directorships	Community Health Systems, Inc.	• Operations • Risk Management • Public company board

BIOGRAPHY

Chairman, President & Chief Executive Officer of Community Health Systems, Inc. (a hospital and healthcare services company) since 2001. In 1997, Mr. Smith was elected President and then Chief Executive Officer and a director of Community Health Systems, Inc. Prior to joining Community Health Systems, he served as Chief Operating Officer, President, and a director of Humana Inc.

Mr. Smith is a trustee of Auburn University, and is a trustee and the past Chairman of the Federation of American Hospitals.

EXPERIENCE AND QUALIFICATIONS

As the Chief Executive Officer of Community Health Systems, a large healthcare services company, Mr. Smith brings the senior executive experience and skills described above. He also has an in-depth understanding of the health care business and the regulatory, compliance and business environment in which it operates. Mr. Smith also brings his experience in leading a senior management team on the numerous issues required of the CEO of Community Health, as well as his experience in leading a board of directors as the Chairman of Community Health.

CORPORATE GOVERNANCE AND BOARD MATTERS

Director Nominees

ROBERT L. WOOD
Former Chairman, President & Chief Executive Officer of Chemtura Corporation

Age	62	Qualification Highlights
Director Since	2004	• Industry • Praxair End-Markets • Operations • Risk Management • Public company board
Other Public Company Directorships	MRC Global Inc. Univar Inc.	

BIOGRAPHY

Former Chairman, President & Chief Executive Officer of Chemtura Corporation (a specialty chemicals company) from 2004 to 2008. Prior to joining Chemtura, Mr. Wood served in various senior management positions at Dow Chemical Company, most recently as business group president for Thermosets and Dow Automotive, from November 2000. Mr. Wood has been Praxair's Lead Director since January 1, 2013.

Mr. Wood is a director of MRC Global Inc. (where he serves as Chairman of the Compensation Committee and a member of the Governance Committee), and a director of Univar Inc. (where he serves on the Audit Committee). During the past five years, Mr. Wood was also a director of Jarden Corporation (where he served on the Nominating and Policies Committee and was Chairman of the Audit Committee). He has served as Chairman of the American Plastics Council and the American Chemistry Council, and is a member of the United States Olympic Committee.

EXPERIENCE AND QUALIFICATIONS

As a former Chief Executive Officer of Chemtura Corporation, a global specialty chemicals company, and a former senior operating executive of Dow, a global chemicals company, Mr. Wood brings the senior executive experience and skills described above. He also has a deep understanding of the specific challenges and opportunities facing a global basic materials company. Mr. Wood's knowledge of the chemicals industry, an important end market for the Company, provides valuable insight to the Board and management.

ITEM 1: ELECTION OF DIRECTORS

Nine Directors will be elected to serve until the 2018 annual meeting of shareholders, and until their successors are elected and qualify. The Governance & Nominating Committee recommended to the Board, and the Board approved and recommends that Stephen F. Angel, Oscar Bernardes, Nance K. Dicciani, Edward G. Galante, Raymond W. LeBoeuf, Larry D. McVay, Martin H. Richenhagen, Wayne T. Smith, and Robert L. Wood, each be elected to serve for a one-year term, until the 2018 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 above. 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 page 76 of this Proxy Statement.

THE BOARD RECOMMENDS YOU VOTE IN FAVOR OF EACH OF THE NINE NOMINEES FOR ELECTION TO THE PRAXAIR BOARD OF DIRECTORS

Audit Matters

Independent Auditor Selection Process

Audit Matters

Independent Auditor Selection Process

The Audit Committee is directly responsible for the appointment, compensation (including approval of audit and non-audit fees), retention and oversight of the independent registered public accounting firm that audits our financial statements and our internal control over financial reporting. The Audit Committee has selected PricewaterhouseCoopers LLP ("PWC") as our independent auditor for 2017. PWC has served as our independent auditor since 1992. Representatives of PWC are expected to be present at the Annual Meeting to be available to respond to appropriate questions and to make a statement if they desire.

The Audit Committee annually reviews PWC's independence and performance in deciding whether to select PWC as the independent auditor. In the course of these reviews, the Audit Committee considers, among other things:

- PWC's recent performance on the Praxair audit, including the results of an internal, worldwide survey of PWC's service and quality;
- PWC's capability and expertise in providing audit and related services to companies with the breadth and complexity of our worldwide operations;
- An analysis of PWC's known legal risks and any significant legal or regulatory proceedings in which it is involved;
- External data on audit quality and performance, including recent Public Company Accounting Oversight Board ("PCAOB") reports on PWC and its peer firms;
- The appropriateness of PWC's fees for audit and non-audit services, on both an absolute basis and as compared to the fees paid by our peer companies;
- PWC's independence (discussed below); and
- PWC's tenure as our independent auditor, including the benefits of having a tenured auditor and controls and processes that help ensure PWC's independence.

TENURE BENEFITS	INDEPENDENCE CONTROLS
Higher audit quality. Through its years of experience with Praxair, PWC has gained institutional knowledge of and deep experience regarding Praxair's global operations and businesses, accounting policies and practices, and internal control over financial reporting.	Thorough Audit Committee oversight. The Audit Committee's oversight includes private meetings with PWC (the full committee meets with PWC at each of its five regularly scheduled meetings per year), and a comprehensive annual evaluation by the Committee in determining whether to engage PWC.
Efficient fee structure. PWC's aggregate fees are competitive with fees paid by our peer companies in part because of PWC's familiarity with our business and the Audit Committee's negotiation of three-year fixed fee engagements.	Rigorous limits on non-audit services. Praxair requires Audit Committee preapproval of non-audit services, limits certain types of non-audit services that otherwise would be permissible under SEC rules, and requires that PWC is engaged only when it is best-suited for the job (see discussion below).
Continuity Efficiency. Bringing on a new auditor would require a significant time commitment that could distract from management's focus on financial reporting and	Strong internal PWC independence process and strong regulatory framework. PWC conducts periodic internal quality reviews of its audit work, assigns separate lead and concurring partners for Praxair and rotates lead partners at least every five years. PWC, as an

internal controls and the Audit Committee's oversight of these matters.	independent registered public accounting firm, is subject to PCAOB inspections, and PCAOB and SEC oversight.

AUDIT MATTERS

Auditor Independence

Auditor Independence

As noted in the Audit Committee Charter and in the Audit Committee Report presented below, the independent auditor reports directly to the Audit Committee and the Audit Committee is charged with evaluating its independence. The Audit Committee has adopted the policies and procedures discussed below that are designed to ensure that PWC is independent. Based on this evaluation and representations from PWC, the Audit Committee believes that PWC is independent and that it is in the best interest of Praxair and our shareholders to retain PWC as our independent auditor for 2017.

Non-Audit Engagement Services Pre-Approval Policy

The Audit Committee has retained PWC (along with other accounting firms) to provide non-audit services in 2017. We understand the need for PWC to maintain objectivity and independence as the auditor of our financial statements and our internal control over financial reporting. Accordingly, the Audit Committee has established a policy whereby all non-audit fees of the independent auditor must be approved in advance by the Audit Committee or its Chairman, and has adopted a guideline that, absent

special circumstances, the aggregate cost of non-audit engagements in a year should not exceed the audit fees for that year. The non-audit fees that are incurred are typically far less than this limit and, as noted below in the report on independent auditor fees, such non-audit fees were approximately 2.6% of audit fees in 2016. All of the Audit-Related Fees, Tax Fees and All Other Fees disclosed below were approved by the Audit Committee.

Audit Partner and Audit Firm Rotation

The Audit Committee's policy is that the audit engagement partner of the independent auditor must rotate off the Company's account at least every five years. With respect to audit firm rotation, the Audit Committee believes that it is inappropriate to establish a fixed limit on the tenure of the independent auditor. Continuity and the resulting in-depth knowledge of the Company strengthens the audit. Moreover, the mandatory partner rotation policy expressed above, normal turnover of audit personnel, the Audit Committee's policy regarding the hiring of auditor personnel as described below, and the Audit

Committee's practices restricting non-audit engagements of the independent auditor as described above, all mitigate against any loss of objectivity that theoretically could arise from a long-term relationship. As provided in the Audit Committee's Charter and as further described above, the Audit Committee continuously evaluates the independence and effectiveness of the independent auditor and its personnel, and the cost and quality of its audit services in order to ensure that the Audit Committee and the Company's shareholders are receiving the best audit services available.

Hiring Policy – Auditor Employees

The Audit Committee has established a policy whereby no former employee of the independent auditor may be elected or appointed an officer of the Company earlier than two years after termination of the engagement or employment.

AUDIT MATTERS

Fees Paid to the Independent Auditor

Fees Paid to the Independent Auditor

The Audit Committee authorizes and overseas the fees paid to PWC for audit and non-audit services. The aggregate fees billed by PWC in 2015 and 2016 for its services are set forth in the table below, followed by a description of the fees:

Types of Fees

	Audit	Audit - Related	Tax	All Other	Total	Non-Audit Fees % of Total Audit Fees
2016	6,206,000	28,000	94,000	39,000	6,367,000	2.6%
2015	6,131,000	38,000	98,000	24,000	6,291,000	2.6%

AUDIT FEES. These are fees paid for the audit of Praxair's annual financial statements, the reviews of the financial statements included in Praxair's reports on Form 10-Q, the opinion regarding the Company's internal controls over financial reporting as required by §404 of the Sarbanes-Oxley Act of 2002, and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those fiscal years.

AUDIT-RELATED FEES. These are fees paid for assurance and related services rendered that are reasonably related to the performance of the audit or review of Praxair's financial statements other than the fees disclosed in the foregoing paragraph. These

fees included those related to due diligence services and certifications required by customers and others.

TAX FEES. These are fees paid for professional services rendered for tax compliance and tax preparation, including preparation of original and amended tax returns, and claims for refunds.

ALL OTHER FEES. These are fees paid for services rendered other than those described in the foregoing paragraphs. These services related primarily to consulting and advice in regard to local country accounting issues for non-U.S. subsidiaries.

AUDIT MATTERS

Audit Committee Report

Audit Committee Report

As set forth in the Audit Committee's Charter, the management of the Company is responsible for: (1) the preparation, presentation and integrity of the Company's financial statements; (2) the Company's accounting and financial reporting principles; and (3) internal controls and procedures designed to ensure compliance with applicable laws, regulations, and standards, including internal control over financial reporting. The independent auditor is responsible for auditing the Company's financial statements and expressing an opinion as to their conformity with generally accepted accounting principles, and expressing an opinion on the effectiveness of the Company's internal control over financial reporting.

A principal role of the Audit Committee is to assist the Board of Directors in its oversight of the Company's financial reporting process. In the performance of its oversight function, the Audit Committee has considered and discussed the audited financial statements with management and the independent auditor. The Audit Committee has also discussed with the independent auditor the matters that are required to be discussed in accordance with Public Company Accounting Oversight Board (PCAOB) standards relating to communications with audit committees.

The Audit Committee has discussed with the independent auditor its independence from the Company and its management. The Audit Committee has received the written disclosures and the letters from the independent auditor required by applicable requirements of the PCAOB. The Audit Committee has also received written confirmations from management with respect to non-audit services provided to the Company by the independent auditor in calendar year

2016 and those planned for 2017. The Audit Committee has further considered whether the provision of such non-audit services is compatible with maintaining PricewaterhouseCoopers LLP's independence.

In its oversight role for these matters, the Audit Committee relies on the information and representations made by management and the independent auditor. Accordingly, the Audit Committee's oversight does not provide an independent basis to certify that the audit of the Company's financial statements has been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with generally accepted accounting principles or that the Company's independent auditor is, in fact, independent.

Based upon the review and discussions described in this report, and subject to the limitations on the role and responsibilities of the Audit Committee referred to above and in the Charter, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Form 10-K and Annual Report for the year ended December 31, 2016 filed with the SEC.

The Audit Committee

Raymond W. LeBoeuf, Chairman
Nance K. Dicciani

Ira D. Hall
Larry D. McVay

ITEM 2: PROPOSAL TO RATIFY THE APPOINTMENT OF THE INDEPENDENT AUDITOR

ITEM 2: PROPOSAL TO RATIFY THE APPOINTMENT OF THE INDEPENDENT AUDITOR

Under New York Stock Exchange ("NYSE") and 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 "Audit Matters" above. The Audit Committee believes the selection of PWC as the Company's independent auditor for 2017 is in the best interest of the Company and its shareholders.

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 page 76 of this Proxy Statement.

THE BOARD RECOMMENDS THAT YOU VOTE FOR THIS PROPOSAL TO RATIFY THE AUDIT COMMITTEE'S SELECTION OF THE INDEPENDENT AUDITOR.

Executive Compensation Matters

Compensation Discussion and Analysis

Executive Compensation Matters

Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("CD&A") provides context for the policies and decisions underlying the compensation reported in the executive compensation tables included in this Proxy Statement for Praxair's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three other executive officers who had the highest total

compensation for 2016, 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"). The Compensation Committee of the Company's Board of Directors is responsible for policies and decisions regarding the compensation and benefits for NEOs.

Executive Compensation Highlights

2016 Company Performance: High Quality Results

In addition to building network density in targeted geographies to increase operating efficiency, profitability, cash flow and return on capital, the Company made significant strides on implementing the core strategy which benefits not only supported 2016, but laid the groundwork for future earnings over the next several years. The Company actively focused efforts towards faster growing resilient end-markets, which include food, beverage, healthcare, specialty gases, environmental and aerospace while remaining well positioned for any recovery in industrial end-markets. As another important element of the strategy, the Company won seven new large on-site projects that brought the backlog to just over $1.5 billion, with 70% of that value supporting Praxair's extensive network in the U.S. Gulf Coast.

However, Praxair faced significant headwinds from global macro-economic trends and foreign currency. The continued strengthening of the U.S. dollar reduced earnings from the translation of foreign subsidiary income by 3%. Additionally, up-stream energy and manufacturing end-markets continued to decline, primarily in North America. Although foreign currency exchange rates and other macroeconomic weakening in demand are outside of management's control, Praxair continued to focus on high-quality results and during 2016 proactively took cost reduction measures to protect the quality of the existing business. Praxair remains well-positioned for strong accretive growth when key end markets recover and foreign currency exchange rate headwinds reverse.

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2016 Variable Pay Aligned with Shareholder Interests

For calendar year 2016, financial results such as cash flow and operating margins continued to demonstrate the success of the Praxair management team. Annual variable compensation goals were set to align target payout with earnings guidance provided to shareholders at the beginning of the year. Though continued foreign currency exchange and other macro-economic weakening impacted results, financial performance was near target, and strategic non-financial performance was strong.

For long-term incentives, whose challenging goals were established three years ago, performance

continued to be weak, and for a second year in a row, significant value related to performance share units ("PSUs") was not realized.

2016 PAYOUTS: The variable compensation programs continue to work as designed.

- Annual variable compensation business result
- 85% financial
- 21% strategic non-financial
- ROC performance share units: 60% of target

* Operating margins, EBITDA margin, and ROC are non-GAAP measures. A reconciliation of reported amounts to non-GAAP measures can be found in Praxair's Form 2016 10-K and Annual Report in "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" in the sub-section called "Non-GAAP Financial Measures."

EXECUTIVE COMPENSATION MATTERS

Compensation Discussion and Analysis

Shareholder Feedback is Critical to Executive Compensation Design

Praxair continues to have a long-standing, robust outreach program whereby management regularly discusses executive compensation design and other relevant matters with shareholders. The Compensation Committee carefully considers shareholder feedback as it makes compensation program decisions.

In April 2015, certain proxy advisory firms recommended that shareholders vote against the Company's Advisory Vote on NEO Compensation, and as a result, additional shareholder outreach was conducted. Fifty-four individual meetings were held, and collectively, shareholders representing 49% of

shares outstanding provided feedback for consideration.

In response to, and after carefully considering shareholder feedback, the Compensation Committee approved changes to certain elements of the Company's executive compensation program as highlighted below. Some of the changes were retroactive to 2015, and others affected the Company's 2016 executive compensation programs.

These changes were disclosed to shareholders in the 2016 proxy statement, and shareholders approved the Say-on-Pay proposal in April 2016 with 94% of shares voted in its favor, compared to 62% in favor in 2015 before the changes were made.

What We Heard	What We Did	Effective	For More Detail
Concern that variable compensation awards can be too greatly influenced by elements other than financial performance	Reduced and limited the impact of the non-financial performance on payouts: • Financial performance must account for at least 80% of total business performance for NEOs • Eliminated the individual performance adjustment for the CEO's payout	2015 (retroactive)	See page 41
Want additional alignment with shareholder returns in the variable compensation program	Revised the annual variable compensation program by increasing the weighting of net income and by replacing the working capital metric with a cash flow metric	2016	See page 41
ROC is viewed as a solid measure for long-term incentive equity awards. Additionally, some shareholders also prefer relative metrics and linking payouts to TSR	Modified the annual performance share unit grants to incorporate a relative total shareholder return ("TSR") measure, while maintaining the ROC measure	2016	See page 45

Concern about CEO special pension arrangements	Agreements to provide additional service credit for the Company's pension program have not been made with any current executive since 2001, and will not be made in the future	legacy	See page 51
Desire for enhanced disclosure in the proxy statement	• Performance goals disclosed for the TSR and ROC performance share units in the year of grant • Improved the readability and redesigned the presentation of the proxy statement	2016	See page 45

EXECUTIVE COMPENSATION MATTERS

Compensation Discussion and Analysis

Alignment of Executive Compensation Programs with Praxair Business Objectives

The Compensation Committee seeks to achieve its executive compensation objectives by aligning the design of the Company's executive compensation programs with the Company's business objectives ensuring a balance between financial and strategic non-financial goals.

FINANCIAL BUSINESS OBJECTIVE: Achieve sustained growth in profitability and shareholder return resulting in a robust cash flow to fund capital investment growth opportunities, dividend payments and share repurchases.

- Annual performance-based variable compensation earned by meeting or exceeding pre-established financial goals.
- Annual grants of performance share units that vest based upon performance results over three years.
- Annual grants of stock options, the value of which is directly linked to the growth in the Company's stock price.

STRATEGIC BUSINESS OBJECTIVES:

Maintain world-class standards in safety, environmental responsibility, global compliance, productivity, talent management, and financial controls.

- Annual payout of variable compensation is impacted by non-financial performance in these areas.

Attract and retain executives who thrive in a sustainable performance-driven culture.

- A competitive compensation and benefits program regularly benchmarked against peer companies of similar size in market cap, revenue and other financial metrics and business attributes.
- Realized compensation that varies with Company performance, with downside risk and upside opportunity.

Best Practices Supporting Executive Compensation Objectives

What We Do:	What We Do Not Do:
Link a substantial portion of total compensation to Company performance:	X Guarantee bonuses for executive officers
Annual variable compensation awards based principally upon performance against objective, pre-established financial goals	X Regularly grant time vested restricted stock
	X Have employment agreements for executive officers

Equity grants consisting of performance share units and stock options, focused on longer term shareholder value creation	X Allow pledging or hedging of Company stock held by officers
Set compensation within competitive market ranges	X Pay tax “gross-ups” on perquisites and personal benefits unless related to relocation expenses that are available to employees generally
Require substantial stock ownership and retention requirements for officers	X Accelerate equity award vesting upon change-in-control
Limit perquisites and personal benefits	X Include an excise tax “gross-up” provision in any change-in-control arrangements
Have double trigger change-in-control severance agreements and, for post-2009 agreements, with payouts of 2 times salary plus target variable compensation	
Include double trigger vesting requirements for officer equity awards in the event of a change-in-control	
Have a clawback (“recapture”) policy that applies to performance based equity and cash awards including gains realized through exercise or sale of equity securities	

EXECUTIVE COMPENSATION MATTERS

Compensation Discussion and Analysis

Praxair's Executive Compensation Program

Praxair's Executive Compensation Objectives

Praxair's executive compensation program is focused on motivating performance to effectively build shareholder value. The Company delivers a total compensation package that includes salary, performance-based cash and equity incentives, and a competitive employee benefits program. 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 sustainable performance-driven culture; and
- encourage executives to own Company stock, aligning their interests with those of shareholders.

Determining Compensation Opportunity

In order to align executive compensation with Company performance, the Compensation Committee considers a variety of factors, including the degree to which executive compensation is "at risk."

At Risk Pay

Between 74% and 89% of the NEOs' target total direct compensation opportunity for 2016 was in the form of performance-based variable compensation

and equity grants, motivating them to deliver strong business performance and drive shareholder value. This portion of compensation is "at risk" and dependent upon the Company's achievement of pre-established financial and other business goals set by the Compensation Committee and, for equity incentives, the Company's stock price performance. The annual variable compensation payout and the ultimate value of the equity compensation awards could be zero if the Company does not perform.

CEO Pay Mix

Performance-based equity compensation is valued at the “grant-date fair value” of each award as determined under accounting standards related to share-based compensation.

EXECUTIVE COMPENSATION MATTERS

Compensation Discussion and Analysis

Aggregate Compensation

CONSIDERATIONS: The Compensation Committee considers whether the value of each NEO's aggregate compensation package is consistent with its objectives for Praxair's executive compensation program. It evaluates the following factors when determining compensation levels for NEOs:

- internal equity: respective role, responsibilities and reporting relationships
- experience and time-in-position
- contribution to results, and exhibition of values, competencies and behaviors critical to the success of the Company
- year-to-year updates in market median data
- retention objectives

The Compensation Committee does not have a set formula for determining target compensation opportunity, however it refers to the median benchmark data during its regular review. Compensation levels tend to be established towards the lower end of a competitive market range for an executive officer who is new to the role. Conversely, a longer tenured executive officer who consistently performs at a high level will have target compensation levels set higher in the competitive range.

As part of the review, the Compensation Committee compares the CEO's pay to that of the other NEOs. As in previous years, the CEO's pay as a multiple of the next highest paid NEO was determined to be appropriate, as the organization does not have a Chief Operating Officer, and the CEO has business executives reporting directly to him. It was also noted that the ratio of CEO pay to the pay of other NEOs collectively changes year-over-year to reflect shifts in

executive officer roles from promotions to, and retirements from, those roles. For 2016, two NEOs were short tenured (three years or less) and the CEO has been in his role for ten years.

Compensation Peer Group

The Compensation Committee reviews the benchmark companies used to assess competitive market compensation ranges for U.S.-based officers (the Key Company Group). Elements considered when choosing companies to be included are:

- Market capitalization Considerable weight is given to market capitalization, as the Company's market capitalization has consistently been about three times its annual revenue.
- Revenue and net income Companies are included in the review if they are generally similar in size to Praxair in one or more of these measures.
- Other considerations Assets, number of employees, whether or not a company had global operations and whether a company's operations were similar to that of Praxair or Praxair's customers are considered.

Though the Compensation Committee reviews the Key Company Group annually, it values year-over-year consistency in the peer group and only makes changes when appropriate. When the review was performed in October 2015, the Compensation Committee determined to remove Kraft Foods from the peer group as it no longer was a publically traded company. The following Key Company Group was used for setting 2016 compensation:

Key Company Group		
Air Products and Chemicals	Danaher	Kimberly-Clark
Anadarko Petroleum Corp	DuPont	Monsanto
Applied Materials	Ecolab	Mosaic
Baker Hughes	EMC	Norfolk Southern
Baxter International	General Mills	PPG Industries
Colgate-Palmolive	Illinois Tool Works	Sherwin-Williams
Corning	International Paper	Stryker
CSX Corp	Kellogg	Texas Instruments
Cummins		

EXECUTIVE COMPENSATION MATTERS

Compensation Discussion and Analysis

Role of the Compensation Consultant

The Compensation Committee engages a third-party compensation consultant to assist in analysis as is necessary to inform and support the Compensation Committee's decisions on executive compensation. At each of its meetings, the Compensation Committee conducts a private session with its consultant without management present. For its consideration of 2016 executive compensation, the Compensation Committee engaged Deloitte Consulting LLP ("Deloitte Consulting").

In 2016, the scope of Deloitte Consulting's engagement included:

- Advice on the determination of NEO's compensation, the consultant's view of the CEO's recommendations for other NEO compensation, as well as input on the CEO's compensation
- Preparation and presentation to the Compensation Committee of reports on executive compensation trends and other various materials
- Review of the peer group analysis and compensation benchmarking studies prepared by management and review of other independent compensation data

Pay Design and Decisions

Direct Compensation for Executive Officers

Salary

The salary level for each NEO was established by the Compensation Committee after its consideration of multiple factors including positioning to market, CEO input (other than for himself) and advice from Deloitte Consulting. Salary adjustments, if any, are typically effective April 1 of each year.

Annual Performance-Based Variable Compensation

The Compensation Committee sets annual goals to drive desired short-term business performance by focusing executives on key objectives that position Praxair for sustained growth and create shareholder value without compromising long-term business objectives. The program is designed to deliver pay commensurate with performance: results that are greater than goals are rewarded with above target payout levels, and performance not meeting minimum threshold expectations reduces the payout to zero.

EXECUTIVE COMPENSATION MATTERS

Compensation Discussion and Analysis

DESIGN CHANGES: For 2016, changes were made to the variable compensation design to further align management and shareholder interests.

2016 DESIGN The Compensation Committee reviewed the financial measures in the annual variable compensation program and approved changes for the 2016 performance year. Recognizing that cash flow is a critical component of Praxair's financial performance that also has significant importance to investors, it was determined that operating cash flow would be included in the 2016 financial goals at a weighting of 25%, replacing the working capital metric. To reinforce the importance of making decisions that support the Company's profitability, the weighting of net income was increased to 60%, and sales was reduced to 15%.

BUSINESS RESULTS:

financial goals Awards are determined based on Company performance against challenging, pre-established financial goals. Payouts can range from zero to 200% of target variable compensation, and the financial performance must be at least 80% of the total business results for NEOs.

strategic non-financial goals The Compensation Committee may make a positive or negative adjustment of up to 35 percentage points to the total financial payout earned based on the Committee's

detailed review and assessment of performance against pre-established non-financial goals that relate directly to the Company's strategic objectives. Points awarded for strategic non-financial goals cannot exceed 20% of the total business payout for NEO payout determination.

INDIVIDUAL PERFORMANCE: The Compensation Committee does not assign an individual performance factor for the CEO, though it retains the discretion to decrease (but not increase) his payout if deemed appropriate. The Compensation Committee may positively or negatively adjust each other NEO's performance-based variable compensation to reflect each individual's contribution to Company performance. Individual performance adjustments can reduce each NEO's payout to as low as zero or increase it by a factor of up to 1.5, however, in the past ten years, the maximum awarded has not exceeded 1.3.

MAXIMUM PAYOUT: Total payout for officers is capped at 260% of target variable compensation except for the CEO, whose maximum is 235%.

Annual Performance-Based Variable Compensation Opportunity for 2016

In December 2015, the 2016 variable compensation target for each NEO (expressed as a percent of salary that would be earned for 100% achievement of the performance goals) was established by the Compensation Committee. The target level for each NEO ranged from 80% to 160% of base salary.

EXECUTIVE COMPENSATION MATTERS

Compensation Discussion and Analysis