

PRAXAIR INC
Form DEF 14A
March 17, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the Registrant ☒ [X]

Filed by a Party other than the Registrant ☐ []

Check the appropriate box:

☐ [] Preliminary Proxy Statement

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

☒ [X] Definitive Proxy Statement

☐ [] Definitive Additional Materials

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

PRAXAIR, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11
(Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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- [] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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39 Old Ridgebury Road

Danbury, Connecticut 06810-5113

***NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD APRIL 28, 2015***

Dear Praxair Shareholder:

The Annual Meeting of Shareholders of Praxair, Inc. will be held at 11:00 a.m. on Tuesday, April 28, 2015 at the Hyatt Regency Greenwich Hotel, 1800 East Putnam Avenue, Old Greenwich, Connecticut, for the following purposes:

1. To elect ten directors to the Board of Directors.
2. To provide an advisory vote on Named Executive Officer Compensation.
3. To vote upon a shareholder proposal regarding an independent Board Chairman.
4. To ratify the appointment of the independent auditor.
5. To conduct such other business as may properly come before the meeting.

Only holders of Common Stock of Praxair, Inc. of record at the close of business on March 2, 2015 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 17, 2015

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39 Old Ridgebury Road

Danbury, Connecticut 06810-5113

PROXY STATEMENT

Annual Meeting of Shareholders

Tuesday, April 28, 2015

This Proxy Statement is furnished to shareholders of Praxair, Inc. (Praxair or the Company) in connection with the solicitation of proxies for the Annual Meeting of Shareholders to be held at the Hyatt Regency Greenwich Hotel, 1800 East Putnam Avenue, Old Greenwich, Connecticut on April 28, 2015, at 11:00 a.m. or any adjournment or postponement thereof (the Annual Meeting). This Proxy Statement and a form of proxy are first being sent to shareholders on or about March 17, 2015. Proxies are being solicited on behalf of the Board of Directors of Praxair.

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

Item 1: Election of Directors

Ten directors will be elected to serve until the 2016 annual meeting of shareholders, and until their successors are elected and qualify. **The Board recommends that Stephen F. Angel, Oscar Bernardes, Nance K. Dicciani, Edward G. Galante, Ira D. Hall, Raymond W. LeBoeuf, Larry D. McVay, Denise L. Ramos, Wayne T. Smith, and Robert L. Wood, each be elected** to serve for a one-year term, until the 2016 annual meeting of shareholders, and until their successors are elected and qualify. Each nominee has agreed to be named in this Proxy Statement and to serve if elected. Qualifications and biographical data for each of these nominees is presented in this Proxy Statement under the caption The Board of Directors. If one or more of the nominees becomes unavailable for election or service as a director, the proxy holders will vote your shares for one or more substitutes designated by the Board of Directors, or the size of the Board of Directors will be reduced.

Claire W. Gargalli will not seek reelection at the Annual Meeting because she will be retiring from the Board pursuant to the Board's director retirement policy. Ms. Gargalli has served as a director since the Company first became a public company in 1992, and the Company thanks her for her valuable and dedicated service.

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

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Item 2: Advisory Vote on Named Executive Officer Compensation

This item is a non-binding, advisory shareholder vote on the compensation of Praxair's Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the three other executive officers who had the highest total compensation for 2014, as set forth in the Summary Compensation Table of this Proxy Statement (these five executive officers are collectively referred to as the Named Executive Officers or the NEOs). This advisory vote, commonly known as say-on-pay, gives the Company's shareholders an opportunity to express their views on the overall compensation of the NEOs and the Company's related compensation philosophy, policies and practices. Since this advisory vote was required beginning in 2011, shareholders have consistently approved the Company's executive compensation program by overwhelming majority votes.

ANNUAL SAY-ON-PAY VOTES

2014 96%

2013 95%

2012 95%

2011 96%

Unless the Board determines otherwise, this advisory vote will be held annually and, therefore, you are asked to vote upon the following proposal that will be presented at the 2015 Annual Meeting:

RESOLVED, that the shareholders of Praxair, Inc. (the Company) approve, on an advisory and non-binding basis, the compensation of the Company's Named Executive Officers, as disclosed in the Company's proxy statement for the 2015 Annual Meeting of Shareholders, including the compensation tables, the Compensation Discussion and Analysis and any related narrative disclosures.

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

The Board recommends that you approve this proposal because the Company's executive compensation program focuses on motivating performance to effectively build shareholder value. The Board believes that the executive compensation program has been instrumental in driving the Company's strong business results and total shareholder return.

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 stock, aligning their interests with those of shareholders.

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Best Practices Supporting Executive Compensation Objectives

What We Do:

Link a substantial portion of total compensation to Company performance

Annual variable compensation awards based principally upon performance against objective, pre-established financial goals

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

Set compensation within competitive market ranges

Require substantial stock ownership and retention requirements for officers

Limit perquisites and personal benefits

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

The Company has a history of sustained performance reflecting its commitment to shareholder value as further discussed in the Compensation Discussion and Analysis (CD&A) section that begins on page 34 of this Proxy Statement.

What We Do Not Do:

We do not guarantee bonuses for executive officers

We do not regularly grant time vested restricted stock

We do not have employment agreements for executive officers

We do not allow pledging or hedging of Company stock held by officers

We do not pay tax gross-ups on perquisites and personal benefits unless available to employees generally

We do not include an excise tax gross-up provision in any change-in-control arrangements

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

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

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Item 3: Shareholder Proposal regarding an independent Board Chairman.

John Chevedden, whose address is 2215 Nelson Avenue, No. 205, Redondo Beach, CA 90278, has submitted the shareholder proposal and supporting statement below, and the proposal will be voted on if it is properly presented at the Annual Meeting. Mr. Chevedden has advised the Company that, as of October 22, 2014, he has beneficially owned at least 50 shares of the Company's common stock since July 1, 2013. The Board's statement in opposition to this proposal is set forth immediately after the proposal. The text of the proposal and supporting statement are as follows:

Proposal 3 Independent Board Chairman

Resolved: Shareholders request that the Board of Directors adopt a policy that the Chair of the Board of Directors shall be an independent director who is not a current or former employee of the company, and whose only nontrivial professional, familial or financial connection to the company or its CEO is the directorship. The policy should be implemented so as not to violate existing agreements and should allow for departure under extraordinary circumstances such as the unexpected resignation of the chair.

When our CEO is our board chairman, this arrangement can hinder our board's ability to monitor our CEO's performance. Many companies already have an independent Chairman. An independent Chairman is the prevailing practice in the United Kingdom and many international markets. This proposal topic won 50%-plus support at 5 major U.S. companies in 2013 including 73%-support at Netflix.

An added incentive to vote for this proposal is our Company's clearly improvable corporate governance as reported in 2014:

GMI Ratings, an independent investment research firm rated our company D in regard to our board, executive pay, accounting and environmental issues. There was \$12 million in 2013 Total Realized Pay for Stephen Angel and he had an excessive pension and excessive perks. There was also the potential for excessive golden parachutes and the potential for long-term CEO incentive pay for below-median performance. It was thus not surprising that our executive pay committee had 2 directors negatively flagged by GMI.

Altogether we had 3 negatively flagged directors (due to bankruptcies) who occupied 6 board committee seats. Robert Wood, our Lead Director and chairman of our nomination committee was negatively flagged because he was on the Chemtura Corporation board when it went bankrupt. Oscar De Paula Bernardes and Wayne Smith were each negatively flagged because they were on the Delphi Corporation and Citadel Broadcasting boards respectively, when these companies went bankrupt. Mr. Bernardes received 10-times as many negative votes as some directors and held 6 seats on public boards risk of distraction.

GMI said Praxair's ESG profile was a reflection of serious concerns related to Pay, Board, Accounting, and Environmental impact. Flagged KeyMetrics included Combined CEO/Chair, Golden Parachutes, CEO Pay, Social Impact Events, Carbon Emissions, and Negative Director Votes.

Five directors had served for 10 to 22-years. GMI said long-tenured directors can often form relationships that may compromise their independence and therefore hinder their ability to provide effective oversight. These long-tenured directors held 55% of the seats on our board committees further extending their influence.

Returning to the core topic of this proposal from the context of our clearly improvable corporate governance, please vote to protect shareholder value:

Independent Board Chairman Proposal 3

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THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE AGAINST THIS PROPOSAL

The Board has considered the above proposal, believes that it is not in the best interests of the shareholders and, therefore, recommends that shareholders vote against the proposal for the following reasons.

The Board Should Have Flexibility in Determining the Appropriate Leadership Structure of the Company from Time to Time.

The Board takes very seriously its responsibility to establish a Board leadership structure that it believes is both consistent with effective governance and in the best interests of the shareholders to which it owes a fiduciary duty. Selecting an appropriate leadership structure is one of the key tasks of the Board, and it believes that it should be able to consider all factors, including whether the CEO at any given time should also serve as Chairman of the Board. As such, the Board does not have any formal policy regarding whether the CEO should or should not also serve as Chairman of the Board. The Company's by-laws provide that the Chairman shall be elected by the Board at its first meeting after each annual meeting of the stockholders, ensuring an annual consideration by the Board of the appropriate director to serve in this role.

If adopted, the shareholder proposal would require adoption of a policy that deprives the Board of the ability to make these important judgments as to Board leadership structure. The Board strongly believes that this "one-size-fits-all" approach is not in the best interests of the Company and its shareholders.

Combining the Chairman and CEO Position is the Most Effective Leadership Structure for the Company and the Board at this Time

The Board strongly believes that the most effective leadership structure for the Company at this time is for Mr. Angel to serve as both Chairman and CEO. Mr. Angel has extensive experience in the industrial gases industry and, as the CEO, he is the director most knowledgeable and aware about the particular business issues confronting the Company. As such, he is best positioned to identify the specific areas on which the Board should focus and with respect to which management should seek advice and counsel from the Board, including strategic priorities and the execution of the Company's business strategy. Therefore, the Board believes that Mr. Angel's continued service as Chairman of the Board will continue to provide the Board and its shareholders with the most effective leadership structure at this time.

The Board also believes that combining the Chairman and CEO roles provides a smooth and clear relationship, and enhances clear communication, between the Board and management so that management has a clear mandate from the Board to execute business strategy and to create shareholder value. In addition, having one individual serve as Chairman and CEO demonstrates to employees, suppliers, customers, shareholders and others that the Company has cohesive leadership entrusted in the Chairman and CEO who sets the tone for, and leads, the Company's operations. Having a single leader eliminates the potential for confusion and provides clear leadership.

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The Board Provides Strong Independent Oversight of Management that Serves as an Effective Counterbalance to the Combined Chairman-CEO Role

The Board has created robust corporate governance practices that provide for strong independent leadership and effective independent oversight of the Company's management. These practices counterbalance the combined Chairman and CEO roles as described below.

The Board has an independent Lead Director.

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, and although elected to serve at least one year, the Lead Director is generally expected to serve multiple terms. The designated responsibilities of the Lead Director 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 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.

The Board's governance structures and practices, and its composition, further ensure its independent oversight of the CEO and management, and include the following:

The Board currently has ten independent directors among its eleven members, such that 90% of the Board is independent. The only non-independent director is Mr. Angel who is also the CEO.

The Board meets in executive session without management present at least quarterly and at nearly every Board meeting. The Lead Director presides over each session of independent directors.

All committees of the Board (Audit, Compensation, Finance & Pension, Governance & Nominating, and Technology, Safety & Sustainability) are composed entirely of independent directors.

The Audit, Compensation, and the Governance & Nominating Committees of the Board meet periodically in executive session both with management and with only independent directors present, and the other committees may meet in executive sessions as they deem appropriate.

The independent Chairpersons of the committees review and approve the agendas and materials for their respective committee meetings.

The powers of the Chairman under the Company's by-laws are limited. Other than chairing meetings of the Board and shareholders and dealing with other administrative matters, the powers conferred on the Chairman can be exercised by the Board or a specified number of directors, or, in some cases, by the Lead Director.

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The directors have a wide variety of experience and many have led large, complex organizations. The Board believes that as a group it has the necessary knowledge, experience and viewpoints to effectively monitor Company and management performance and constructively consider and challenge ideas and strategy.

The Board represents a diverse mix of directors, and the Company's directors come from various geographical, business and industry backgrounds. Diversity of view offers appropriate and insightful guidance from the Board to management.

The average tenure of service on the Board will be approximately nine years after Ms. Gargalli's retirement from the Board just prior to the Annual Meeting, as required by the Board's mandatory director retirement policy described below. An additional six directors will retire pursuant to this policy over the next five years, substantially reducing the average tenure of service.

The Company has Other Strong and Effective Corporate Governance and Board Practices.

In addition to the Board structure and policies described above, the Board also has established other corporate governance practices that are set forth in the Board's Corporate Governance Guidelines. A summary of these are set forth below under the caption "Corporate Governance and Board Practices" on pages 13-18 of this Proxy Statement.

The Company Has a History of Stable and Consistent Operating and Financial Performance with the Combined Role of the Chairman and CEO

Since becoming a public company in 1992, the Company has combined the Chairman and CEO positions (Mr. Angel is the third Chairman and CEO) and has had a history of stable financial and operational performance. The Company has been consistently recognized as providing industry-leading financial results in the global industrial gases industry with industry-leading operating and EBITDA margins and return on capital. Since Mr. Angel became CEO in 2007, Praxair's Cumulative Total Shareholder Return as of the end of 2014 was approximately 157% with a compounded annual growth rate of 12.5% and has substantially exceeded the total shareholder return of the S&P 500 Index and the S&P Materials Index during that period. In addition, during Mr. Angel's CEO tenure, Praxair's market capitalization had doubled to approximately \$38 billion as of the end of 2014, and the Company has delivered solid increases in sales, adjusted net income and cash flow from operations (see the discussion of these performance metrics in this Proxy Statement in the CD&A on pages 34-36).

Given the Company's strong independent Board oversight of management and the Company's sound corporate governance practices, the Board does not believe that an arbitrary mandate requiring an independent Chairman is in the best interests of shareholders.

FOR ALL OF THE FOREGOING REASONS, THE BOARD RECOMMENDS THAT YOU VOTE AGAINST THE ADOPTION OF THIS SHAREHOLDER PROPOSAL

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

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Item 4: Proposal to Ratify the Appointment of the Independent Auditor

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

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

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

THE BOARD RECOMMENDS THAT YOU VOTE FOR THIS ITEM 4, THE PROPOSAL TO RATIFY THE AUDIT COMMITTEE'S SELECTION OF THE INDEPENDENT AUDITOR.

Item 5: Other Business

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

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

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on April 28, 2015:

This Proxy Statement and the 2014 Form 10-K and Annual Report are now available for viewing and downloading on the Internet at:

2014 Form 10-K and Annual Report: www.praxair.com/annualreport.

2015 Notice of Meeting and Proxy Statement: www.praxair.com/proxy.

As allowed by SEC and NYSE rules, Praxair is sending to most shareholders by mail a notice informing them that they can access and download this 2015 Proxy Statement and the 2014 Form 10-K and Annual Report on the Internet at the websites noted above, rather than sending printed copies. If you have received printed copies in the mail, rather than the notice of Internet availability, it is likely that this occurred because either: (1) you have specifically requested printed copies this year or previously, or (2) Praxair has voluntarily sent you printed copies.

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

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

If you consent, your account will be so noted and, when Praxair's 2015 Form 10-K and Annual Report, meeting notice, and the proxy statement for the 2016 annual meeting of shareholders become available, you will be notified on how to access them on the Internet. Any prior consent you have given will remain in effect until specifically revoked by you in the manner specified by the bank or broker that manages your account. If you do consent to receive your Praxair materials via the Internet, you can still request paper copies by contacting the bank or broker that manages your account or, if you are a shareholder of record, you may contact the Company through its stock transfer agent, Wells Fargo Shareowner Services, 1110 Centre Pointe Curve, Suite 101, Mendota Heights, MN 55120-4100. Wells Fargo Shareowner Services, can also be reached by telephone at 1-855-217-6360 Toll Free and 651-450-4064 outside the United States, or online at shareowneronline.com.

SHAREHOLDERS SHARING AN ADDRESS

If you share an address with another shareholder, you may receive only one notice of Internet availability, or one set of printed proxy materials (including this Proxy Statement and the 2014 Form 10-K and Annual Report to shareholders) unless you have provided contrary instructions. If you wish to receive a separate notice of Internet availability or set of proxy materials now or in the future, you may contact the bank or broker that manages your account or, if you are a shareholder of record, you may contact Wells Fargo Shareowner Services at the address cited above. Similarly, if you share an address with another shareholder and have received multiple copies of the notice of Internet availability or proxy materials, you may contact the bank or broker that manages your account or, if you are a shareholder of record, you may contact Wells Fargo Shareowner Services at the above address to request delivery of only a single copy of these materials to your household.

PROXY AND VOTING PROCEDURES

Who are the Shareholders Entitled to Vote at this Meeting?

Common Stock shareholders of record at the close of business on March 2, 2015 will be entitled to vote at the Annual Meeting. As of that date, a total of 288,611,549 shares of Praxair's Common Stock were outstanding and entitled to vote. Each share of Common Stock is entitled to one vote.

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

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

1. **Vote on the Internet.** If you have Internet access, you may access the Proxy Statement and 2014 Form 10-K and Annual Report and submit your proxy or voting instructions by following the instructions provided in the notice of Internet availability, or if you received printed proxy materials, by following the instructions provided with your proxy materials and on your proxy card or voting instruction card. If you vote on the Internet, you can also request electronic delivery of future proxy materials.

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

How are the Proxies Voted?

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

How Can I Revoke my Proxy?

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

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

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

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

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

How are the Votes Counted for Each Item of Business?

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

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

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

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With respect to Item #2 (Advisory Vote on Named Executive Officer Compensation), and Item #3 (Shareholder Proposal regarding an independent Board Chairman), your broker is not entitled to vote your shares on these items if no instructions are received from you. Broker non-votes are not considered shares entitled to vote on these matters and, therefore, will have no effect on the vote on these items. However, a vote to Abstain will have the effect of a vote against these items.

With respect to Item #4 (Ratification of the Appointment of the Independent Auditor), your broker is entitled to vote your shares on this matter if no instructions are received from you. A vote to Abstain will have the effect of a vote against this item.

If you hold your shares in the employees' retirement savings plan of Praxair, Inc., Praxair Puerto Rico BV, or the Dow Chemical Company, and if the plan trustee receives no voting instructions from you, then, under the applicable plan trust agreement, the plan trustee will: (i) vote your shares in the same proportion on each matter as it votes the shares for which it has received instructions under the Praxair, Inc. and Dow Chemical plans, and (ii) not vote your shares under the Praxair Puerto Rico BV plan.

ATTENDING THE ANNUAL MEETING

Admission Requirements

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

- If you hold shares of Praxair, Inc. common stock through a broker, bank or other nominee, please bring a copy of your broker, bank or nominee statement evidencing your ownership of Praxair common stock as of the March 2, 2015 record date;
- Please bring a photo ID, if you hold shares of record as of March 2, 2015, including shares in certificate or book form or in the Praxair, Inc. Dividend Reinvestment and Stock Purchase Plan;
- Please bring your Praxair ID if you are an employee shareholder.

Directions

Directions to the location for the Annual Meeting are available at www.praxair.com in the Investors/Annual Meeting section, or you may contact Praxair as noted below.

Questions

For Questions Regarding:

Annual Meeting

Stock Ownership for

Shareholders of Record

Stock Ownership for

Beneficial Holders

Contact:

Praxair Investor Relations, (203) 837-2210

Wells Fargo Shareowner Services, 1110 Centre Pointe Curve, Suite 101, Mendota Heights, MN 55120-4100 or online at shareowneronline.com, or by telephone at 1-855-217-6360 Toll Free and 651-450-4064 outside the United States.

Your bank, broker or nominee

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

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Shares Outstanding(a)
The Vanguard Group, 100 Vanguard Blvd., Malvern, PA 19355	18,222,788	6.3%
BlackRock, Inc., 55 East 52 nd Street, New York, NY 10022	17,473,598	6.0%
Capital Research Global Investors, 333 S. Hope St., Los Angeles, CA 90071	16,345,288	5.7%

(a) Based on 288,611,549 total shares outstanding on March 2, 2015 excluding shares held for the account of Praxair.

(b) Holdings as of December 31, 2014 as reported in SEC Schedules 13G filed by the Vanguard Group, Blackrock, Inc., and Capital Research Global Investors. According to its Schedule 13G, Vanguard and certain of its affiliates had sole voting power as to 502,636 shares, shared dispositive power as to 477,464 shares, and sole dispositive power as to 17,745,324 shares. According to its Schedule 13G, BlackRock and certain of its subsidiaries had sole voting power as to 14,423,358 shares, and sole dispositive power as to all of the reported shares. According to its Schedule 13G, Capital Research and certain of its affiliates had sole voting power as to 16,345,288 shares, and sole dispositive power as to all of the reported shares.

Directors and Executive Officers

The table below sets forth the beneficial ownership of Praxair's Common Stock as of March 2, 2015 by each director and certain executive officers. No director or executive officer of Praxair beneficially owned more than 1% of Praxair's common stock, and directors and executive officers of Praxair as a group (19 persons) beneficially owned approximately 1% of the outstanding shares as of that date.

Name	Position	SHARES BENEFICIALLY OWNED AND OTHER EQUITY INTERESTS			
		Common Stock	Stock Units(1)	Total	Stock Options(2)
Stephen F. Angel	Chairman, President & Chief Executive Officer	200,960	61,500	262,460	1,511,987
Matthew J. White(3)	Senior Vice President & Chief Financial Officer	12,458	296	12,754	105,608
Scott E. Telesz	Executive Vice President	11,632	30,591	42,223	121,800
Eduardo F. Menezes	Executive Vice President	38,567	561	39,128	182,410
James T. Breedlove(4)	Senior Vice President, General Counsel & Secretary	24,121	1,503	25,624	160,484
Oscar Bernardes	Director	5,128	1,229	6,357	0
Nance K. Dicciani	Director	9,753	7,010	16,763	6,146
Edward G. Galante	Director	8,539	10,254	18,793	9,025
Claire W. Gargalli(5)	Director	3,551	11,182	14,733	22,930
Ira D. Hall	Director	151	10,801	10,952	0
Raymond W. LeBoeuf	Director	6,217	47,662	53,879	15,035
Larry D. McVay	Director	6,171	4,206	10,377	0
Denise L. Ramos	Director	0	1,767	1,767	0
Wayne T. Smith	Director	16,068	28,523	44,591	0
Robert L. Wood	Director	10,112	1,229	11,341	18,055
Total		353,428	218,314	571,742	2,153,480
Directors, Nominees and Executive	(19 persons)	390,394	222,042	612,436	2,325,310

Officers as a group

(1) Includes Deferred Stock Units and/or Restricted Stock Units held. Deferred Stock Units are stock price-based units into which deferred compensation has been invested pursuant to the deferred compensation plans for management and for non-employee directors. Restricted Stock Units are stock price-based units granted as long term incentive awards to management and as equity compensation to non-employee directors. Holders have no voting rights with respect to either Deferred Stock Units or Restricted Stock Units. The value of Deferred Stock Units and Restricted Stock Units varies with the price of Praxair's common stock and, at the end of the deferral period or the restriction period, the units are payable in Praxair common stock on a one-for-one basis.

(2) Represent shares that may be acquired upon exercise of options exercisable within 60 days of March 2, 2015.

(3) Mr. White was promoted to Senior Vice President & Chief Financial Officer effective January 1, 2014.

(4) Mr. Breedlove resigned as Senior Vice President, General Counsel & Secretary effective December 31, 2014, but served in an advisory capacity until his retirement from the Company on February 28, 2015.

(5) Ms. Gargalli is retiring from the Board of Directors as of the date of the Annual Meeting.

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CORPORATE GOVERNANCE AND BOARD PRACTICES

Praxair's Governance Principles

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. 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, and 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, is the current Lead Director. 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

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coordinating an annual performance review of the CEO with input from the Compensation Committee and the other independent directors.

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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 senior executives are evaluated with respect to their potential for promotion into senior leadership positions, including that of the CEO. From time-to-time, this session also includes a consideration of compensation issues related to succession and retention. In addition, a wide variety of senior 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.

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 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.

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

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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 recommendations of recognized governance authorities.

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 five 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.

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.

Communications with the Board. 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 by 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.

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 2014 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.

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.

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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 four 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 5-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 and must acquire 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 and, based upon the \$129.56 per share closing stock price on December 31, 2014, what such minimum share requirement was as an approximate multiple of salary of each officer or the range of the multiples for groups of officers.

	Minimum Shares	Approximate
	to be Owned	Multiple of Salary
Chief Executive Officer	100,000	10x
Executive Vice Presidents	30,000	6x to 7x
Chief Financial Officer	25,000	6.5x
Senior Vice Presidents	20,000	5x to 6x
Other Executive Officers	10,000-15,000	4x

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 above under the caption "Share Ownership."

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 Company 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 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

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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 the SEC's Regulation S-K, Item 404, 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 2014, 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 determining that each of the non-management directors is independent, in February, 2015, the Board considered the following circumstances and relationships of those directors and nominees who then

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had any direct or indirect relationship with the Company: In the ordinary course of its business, Praxair sells medical oxygen and other industrial gases products to Community Health Systems, Inc. of which Mr. Smith is an executive officer, and sells industrial gases to, and purchases pumps and other products from, ITT Corporation, of which Ms. Ramos is an executive officer. The 2014 consolidated revenues for each of Praxair, Community Health and ITT Corporation were \$12.3 billion, \$18.6 billion and \$2.7 billion, respectively. For the last three fiscal years, the dollar value of Praxair's sales to Community Health ranged from \$1.3 million to \$2.2 million, and sales to and purchases from ITT Corporation ranged from \$350,000 to \$4.5 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 ITT 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 Ms. Ramos or of Mr. Smith 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 2014 with respect to transactions in the Company's stock.

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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.

AUDIT COMMITTEE

Meetings in 2014: 5

Current Members:

Ira D. Hall, Chairman

Nance K. Dicciani

Raymond W. LeBeouf

Larry D. McVay

Denise L. Ramos

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;

(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.

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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 letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board. 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 2014 and those planned for 2015. 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, 2014 to be filed with the SEC.

The Audit Committee

Ira D. Hall, Chairman

Nance K. Dicciani

Raymond W. LeBeouf

Larry D. McVay

Denise L. Ramos

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The Independent Auditor

Auditor Selection and Attendance at the Annual Meeting

PricewaterhouseCoopers LLP served as Praxair's independent auditor for the year ended December 31, 2014 and has been selected by the Audit Committee to serve in such capacity for the year ending December 31, 2015. Representatives of PricewaterhouseCoopers LLP 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.

Audit Partner and Audit Firm Rotation

The Audit Committee's policy is that the audit engagement partner should rotate off the Company's account no less frequently than every five years. During its history as a public company since 1992, Praxair has had five audit engagement partners. A new engagement partner began in September, 2014, replacing the engagement partner who had served since January, 2012.

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 below, 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 below, 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. The Audit Committee periodically considers alternatives to ensure that the Audit Committee and the Company's shareholders are receiving the best audit services available.

Auditor Independence

As noted in the Audit Committee Charter and in the Audit Committee Report presented above, the independent auditor reports directly to the Audit Committee and the Audit Committee is charged with evaluating its independence.

Non-Audit Engagement Pre-Approval Policy

To help ensure independence of the independent auditor, the Audit Committee has established a policy whereby all non-audit engagements 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. As noted below in the report on independent auditor fees, such non-audit engagements were approximately 12% of audit fees in 2014. All of the Audit-Related Fees, Tax Fees and All Other Fees disclosed below were approved by the Audit Committee.

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.

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Fees Paid to the Independent Auditor

Audit Fees. Praxair, Inc. and its affiliates paid PricewaterhouseCoopers LLP an aggregate amount of \$6,512,000 and \$6,630,000 for professional services rendered in 2014 and 2013, respectively, 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. Praxair, Inc. and its affiliates paid PricewaterhouseCoopers LLP an aggregate amount of \$593,000, and \$44,000 for assurance and related services rendered in 2014 and 2013, respectively, 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. Praxair, Inc. and its affiliates paid PricewaterhouseCoopers LLP an aggregate amount of \$155,000, and \$260,000 for professional services rendered in 2014 and 2013, respectively, for tax compliance and tax preparation, including preparation of original and amended tax returns, and claims for refunds.

All Other Fees. Praxair, Inc. and its affiliates paid PricewaterhouseCoopers LLP an aggregate amount of \$48,000 and \$24,000 for services rendered in 2014 and 2013, respectively, other than those reported in the foregoing paragraphs. These services related primarily to consulting and advice in regard to local country accounting issues for non-U.S. subsidiaries.

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COMPENSATION & MANAGEMENT DEVELOPMENT COMMITTEE

Meetings in 2014: 4

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 & Management Development Committee, among other duties,

Current Members:

Edward G. Galante, Chairman

(1) determines Praxair's policies relating to the compensation of executive officers and assesses the competitiveness and appropriateness of their compensation and benefits;

Oscar Bernardes

(2) determines the salaries, performance-based variable compensation, equity awards, terms of employment, retirement or severance, benefits, and perquisites of executive officers;

Nance K. Dicciani

(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;

Claire W. Gargalli

Wayne T. Smith

(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.

In performing the oversight of compensation matters discussed above, the Compensation Committee also employs the processes described below in 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

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consideration his views on relevant matters, as described in more detail in this Proxy Statement in the CD&A section.

Compensation Consultant. The Compensation Committee engages a third-party compensation consultant to assist it in such 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 2014 executive compensation, the Compensation Committee engaged Deloitte Consulting LLP ("Deloitte Consulting"). The purpose of the engagement was to provide to the Compensation Committee data, analysis and advice with regard to executive compensation. The scope of the consultant's work is described in this Proxy Statement in the CD&A section.

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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.

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GOVERNANCE & NOMINATING COMMITTEE

Meetings in 2014: 6

Current Members:

Robert L. Wood, Chairman

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,

Edward G. Galante

(1) recommends to the Board nominees for election as directors, and periodically reviews potential candidates, including incumbent directors;

Claire W. Gargalli

(2) reviews policies with respect to the composition, compensation, organization and practices of the Board, and developments in corporate governance matters generally; and

Raymond W. LeBeouf

Denise L. Ramos

(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.

Director Nominations

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 2016 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.

Director & Nominee Selection Criteria

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,

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- (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.

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

New Director Selection Process

When the need to recruit a director arises, the Governance & Nominating Committee will consult the other directors, the CEO and, on occasion, 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.

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FINANCE & PENSION COMMITTEE

Meetings in 2014: 3

Current Members:

Larry D. McVay, Chairman

Oscar Bernardes

Ira D. Hall

Wayne T. Smith

Robert L. Wood

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.

TECHNOLOGY, SAFETY & SUSTAINABILITY COMMITTEE

Meetings in 2014: 1(*)

Current Members:

Nance K. Dicciani, Chairperson

Oscar Bernardes

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,

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Edward G. Galante

(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;

Larry D. McVay

(2) monitors and reviews Praxair's personnel, process and distribution safety goals and performance and the use of technology to enhance safety performance;

(*) The Board of Directors created the committee as a new committee in 2014.

(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.

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THE BOARD OF DIRECTORS

The following pages present information about those currently serving on Praxair's Board of Directors who have been nominated for election to serve until the 2016 annual meeting and until their successors are elected and qualify.

Director Attendance

During 2014, the Board held six meetings. The nominees for reelection to the Board collectively attended 99% of all Board meetings and meetings of committees of which they are members, and no nominee for reelection attended fewer than 93% of such meetings.

Directors and Nominees

The Governance & Nominating Committee recommended to the Board, and the Board approved, the nomination for election of each currently serving director, except for Ms. Gargalli, who is retiring from the Board.

Experience and Qualifications of All Nominees. 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 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. A description of the Governance & Nominating Committee's process and criteria for nominating director candidates is set forth in this Proxy Statement under the caption "Director & Nominee Selection Criteria."

STEPHEN F. ANGEL

Age 59

Director Since 2006

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 the Technology and Environment Committee). He is also a member of The Business Council, the U.S. - Brazil CEO Forum, a member of the Board of the U.S. - China Business Council and is a former director of the American Chemistry Council.

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

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and to help facilitate Board discussions and keep the Board apprised of significant developments in the Company's business.

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OSCAR BERNARDES

Age 68

Director Since 2010

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 five companies in Brazil: Localiza Rent A Car S.A. (where he is Chairman of the Audit Committee), Marcopolo S.A., Suzano Papel e Celulose S.A., Gerdau S.A./Metalúrgica Gerdau S.A., and DASA Laboratorios da America SA. During the past five years, he was also a director of Johnson Electric Holdings Ltd. in Hong Kong, and São Paulo Alpargatas S.A. He is also on the advisory boards of Alcoa Latin America, Vanguarda Agro, Amerys, Mitsubishi Brasil, and Johnson Electric and a Board Member of OMINI, a private company.

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, which are large, important markets for the Company.

NANCE K. DICCIANI

Age 67

Director Since 2008

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 Halliburton Company (where she serves on the Audit, and the Health, Safety and Environment Committees), and LyondellBasell Industries (where she serves on the Audit, and the Health, Safety and Environment 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.

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