

PRAXAIR INC  
Form DEFM14A  
August 16, 2017  
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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

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12.

**PRAXAIR, INC.**

(Name of Registrant as Specified In Its Charter)

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**PROXY STATEMENT OF  
PRAXAIR, INC.**

**PROSPECTUS OF  
LINDE PLC**

Dear Praxair shareholder:

I am pleased to invite you to attend a special meeting of shareholders of Praxair, Inc. (which is herein referred to as Praxair, Inc., and together with its subsidiaries, Praxair ) to be held at Praxair Headquarters, 10 Riverview Drive, Danbury, Connecticut 06810-6268, on September 27, 2017, at 10:00 a.m., Eastern Time. As previously announced, Praxair, Inc. and Linde Aktiengesellschaft (which is herein referred to as Linde AG, and together with its subsidiaries, Linde ) have entered into an agreement providing for a combination of their businesses under a new Irish holding company, Linde plc. Pursuant to this business combination agreement, Praxair's business will be brought under the new holding company through a merger (which is herein referred to as the merger ) and Linde's business will be brought under the new holding company through an exchange offer (which is herein referred to as the exchange offer, and together with the merger, the business combination ).

The merger will be subject to and occur immediately after settlement of the exchange offer. In the merger, each share of common stock of Praxair, Inc., par value \$0.01 per share (which are herein referred to as Praxair shares ), will be converted into the right to receive one ordinary share, nominal value 0.001 per share, of Linde plc (which are herein referred to as Linde plc shares ). In the exchange offer, shareholders of Linde AG (which are herein referred to as Linde shareholders ) will be offered to exchange each of their ordinary bearer shares, without par value, of Linde AG (which are herein referred to as Linde shares ) for 1.540 Linde plc shares. Settlement of the exchange offer is subject to the satisfaction or, where permissible, waiver of certain conditions, including the minimum acceptance condition, the Praxair requisite vote condition, the regulatory condition, and the other conditions described in the section The Exchange Offer Conditions to the Exchange Offer. Except for the regulatory condition, all conditions to the exchange offer must be satisfied on or prior to the expiration of the acceptance period on October 24, 2017, 24:00 hours, Central European Time, as extended (which is herein referred to as the acceptance period ). The regulatory condition must be satisfied within twelve months following the end of the acceptance period, *i.e.*, by October 24, 2018. As a result, the exchange of Linde shares pursuant to the exchange offer and conversion of Praxair shares pursuant to the merger may take place on a date that is significantly later than the end of the acceptance period, or may not occur.

Upon completion of the business combination, and assuming that all of the outstanding Linde shares are exchanged in the exchange offer, former Praxair shareholders and former Linde shareholders will each own approximately 50% of the outstanding Linde plc shares. Linde plc will apply to list the Linde plc shares on the New York Stock Exchange (trading in U.S. dollars) and on the Frankfurt Stock Exchange (trading in euros). Praxair shares, which are listed on the New York Stock Exchange under the symbol PX will be delisted from the New York Stock Exchange upon or as soon as practicable after the completion of the business combination, as permitted by applicable law. We urge you to obtain current market quotations of each of the Praxair shares and the Linde shares prior to casting your vote.

In order for the business combination to be completed, the business combination agreement must be adopted by the Praxair, Inc. shareholders (which are herein referred to as Praxair shareholders ). Accordingly, Praxair, Inc. will hold a special meeting of its shareholders on September 27, 2017, at which, among other business to be considered by Praxair shareholders, Praxair shareholders will be asked to adopt the business combination agreement and approve the transactions contemplated thereby. Information about the Praxair special meeting, the business combination and other business to be considered by Praxair shareholders is contained in this document, which we urge you to read. **In particular, see Risk Factors beginning on page 36.**

**Your vote is very important.** Whether or not you plan to attend the Praxair special meeting, please take appropriate action to make sure your Praxair shares are represented at the Praxair special meeting. Your failure to vote will have the same effect as voting against the adoption of the business combination agreement. **The board of directors of Praxair, Inc. (which is herein referred to as the Praxair board of directors ) unanimously recommends that you vote FOR the adoption of the business combination agreement and approval of the transactions contemplated thereby and other related matters. We are not asking Linde shareholders for a proxy and Linde shareholders are requested not to send us a proxy.**

Sincerely,

Stephen F. Angel

Chief Executive Officer and Chairman

Praxair, Inc.

**Neither the U.S. Securities and Exchange Commission (which is herein referred to as the SEC ) nor any state securities commission has approved or disapproved of the securities to be issued in connection with the business combination or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.**

This document is dated August 16, 2017, and is first being mailed to Praxair shareholders on or about August 21, 2017.

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**ADDITIONAL INFORMATION**

**This document incorporates important business and financial information about Praxair filed with the SEC that is not included in or delivered with this document. You can obtain any of the documents filed with the SEC by Praxair, Inc. at no cost from the SEC's website at [www.sec.gov](http://www.sec.gov). You may also request copies of these documents, including documents incorporated by reference into this document, at no cost, by contacting Praxair. Please see **General Information Where You Can Find More Information; Documents Available for Inspection** for more details. In order to receive timely delivery of the documents in advance of the special meeting of Praxair shareholders, you should make your request to Praxair, Inc. at 10 Riverview Dr., Danbury, CT 06810, United States, 1-800-772-9247 (U.S.) and 1-716-879-4077 (outside the U.S.), no later than September 20, 2017, or five trading days prior to the special meeting of Praxair shareholders.**

**No person is authorized to provide any information with respect to the matters that this document describes other than the information contained in this document, and, if provided, the information must not be relied upon as having been authorized by Linde plc, Praxair, or Linde. This document does not constitute an offer to sell or a solicitation of an offer to buy securities or a solicitation of a proxy in any jurisdiction where, or to any person to whom, it is unlawful to make such an offer or a solicitation. Neither the delivery of this document nor any distribution of securities made under this document will, under any circumstances, create an implication that there has been no change in the affairs of Linde plc, Praxair, or Linde since the date of this document or that any information contained herein is correct as of any time subsequent to the date of this document.**

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**Notice of Special Meeting of Shareholders**

**To Be Held on September 27, 2017**

Dear Praxair shareholder:

A special meeting of the shareholders of Praxair, Inc. will be held at Praxair Headquarters, 10 Riverview Drive, Danbury, Connecticut 06810-6268, on September 27, 2017, at 10:00 a.m., Eastern Time. The purpose of the Praxair special meeting is for Praxair shareholders:

to consider and vote on a proposal to adopt the business combination agreement, dated as of June 1, 2017, as amended, by and among Praxair, Inc., Linde AG, Linde plc, Zamalight Holdco LLC and Zamalight Subco, Inc., as the same may be amended from time to time, and to approve the transactions contemplated thereby (which is herein referred to as the business combination proposal ), pursuant to which, among other things, Praxair, Inc. and Linde AG agreed to combine their businesses, through a merger and an exchange offer, respectively, and become subsidiaries of Linde plc;

to consider and vote on a non-binding advisory proposal to approve the reduction of the share premium account of Linde plc to allow for the creation of distributable reserves of Linde plc, which are generally required under Irish law in order to allow Linde plc to make distributions and to pay dividends and repurchase or redeem shares following completion of the business combination (which is herein referred to as the distributable reserves creation proposal );

to consider and vote on a non-binding advisory proposal to approve the compensation that may become payable to Praxair's named executive officers in connection with the business combination (which is herein referred to as the compensation proposal ); and

to consider and vote on any proposal that may be made by the chairman of the Praxair board of directors to adjourn or postpone the special meeting in order to (1) solicit additional proxies with respect to the above-mentioned proposals and/or (2) hold the special meeting on a date that is no later than the day prior to the expiration of the acceptance period, in the event that such date of expiration is extended (which is herein referred to as the shareholder adjournment proposal ).

The business combination proposal requires the affirmative vote of the holders of a majority of the Praxair shares outstanding and entitled to vote at the Praxair special meeting (which is herein referred to as the Praxair requisite vote ). The business combination cannot be completed without approval of the business combination proposal. A failure to vote, a broker non-vote, or an abstention will have the same effect as a vote AGAINST the business combination proposal. The distributable reserves creation proposal, the compensation proposal and the shareholder adjournment proposal each requires the affirmative vote of a majority of the Praxair shares present in person or by proxy and entitled to vote at the Praxair special meeting. An abstention will have the same effect as a vote AGAINST such proposals. A failure to vote and broker non-votes will have no effect on the vote on any of the distributable reserves creation proposal, the compensation proposal or the shareholder adjournment proposal. **The Praxair board of directors unanimously recommends that you vote FOR each of these proposals.**

Only holders of record of Praxair shares at the close of business on August 8, 2017, the record date for the Praxair special meeting, will be entitled to notice of, and to vote at, the Praxair special meeting or any adjournment or postponement thereof. A list of the Praxair shareholders of record as of August 8, 2017, will be available for inspection during ordinary business hours at Praxair's offices located at 10 Riverview Drive, Danbury, Connecticut 06810-5113, from September 12, 2017, up to and including the date of the Praxair special meeting.

Please remember that your shares cannot be voted unless you cast your vote by one of the following methods: (1) sign and return a proxy card; (2) call the toll-free number listed on the proxy card; (3) vote through the internet as indicated on the proxy card; or (4) vote in person at the Praxair special meeting. You should NOT send documents representing Praxair shares with the proxy card.



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Following the consummation of the business combination, you will receive information on how you will receive Linde plc shares for your Praxair shares.

BY ORDER OF THE BOARD OF DIRECTORS,

Guillermo Bichara

Vice President, General Counsel and

Corporate Secretary

August 16, 2017

**YOUR VOTE IS VERY IMPORTANT. PLEASE VOTE YOUR SHARES PROMPTLY, WHETHER OR NOT YOU EXPECT TO ATTEND THE PRAXAIR SPECIAL MEETING. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU ARE UNCERTAIN OF HOW YOU HOLD YOUR SHARES OR NEED ASSISTANCE IN VOTING YOUR SHARES, PLEASE CONTACT MORROW SODALI LLC, PRAXAIR S PROXY SOLICITOR, AT (203) 658-9400 (BANKS AND BROKERAGE FIRMS) AND (800) 662-5200 (STOCKHOLDERS TOLL FREE), OR VIA EMAIL AT PX.INFO@MORROWSODALI.COM.**

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**QUESTIONS AND ANSWERS**

*The following questions and answers are intended to briefly address some commonly asked questions regarding the business combination. These questions and answers may not address all questions that may be important to you. You should carefully read this entire document, including its annexes and documents referred to herein, for a more complete understanding of the business combination agreement, the transactions contemplated by the business combination agreement, Linde plc, Praxair and Linde. You may obtain additional information without charge by following the instructions under General Information Where You Can Find More Information; Documents Available for Inspection.*

**About the Business Combination**

**Q: What are Praxair and Linde proposing?**

A: On December 20, 2016, Praxair, Inc. and Linde AG announced their intention to combine their businesses to leverage the complementary strengths of each company, creating a leader in the industrial gases industry. The announcement was made after the parties entered into a non-binding term sheet on December 20, 2016. Following the announcement, Praxair, Inc., Linde AG, Linde plc (formerly known as Zamalight plc), Zamalight Holdco LLC and Zamalight Subco, Inc. entered into a business combination agreement, dated June 1, 2017, as amended, pursuant to which, among other things, Praxair, Inc. and Linde AG agreed to combine their businesses, through the merger and the exchange offer, and become subsidiaries of a new Irish holding company, Linde plc. This agreement is herein referred to as the business combination agreement. The merger and the exchange offer together are herein referred to as the business combination.

Praxair, Inc. and Linde AG proposed the business combination because, among other reasons, the management and boards of both companies believe that the business combination will:

leverage unique strengths of each company: Linde's long-standing leadership in engineering and technology with Praxair's operational excellence;

establish strong, complementary positions in key geographies and end-markets, and create a more diverse and balanced end-market portfolio;

create considerable value driven by approximately \$1.2 billion ( \$1.1 billion) in annual synergies and cost reductions (see The Business Combination Certain Unaudited Forward-Looking Financial Information Certain Synergy and Cost Reduction Estimates ); and

create a combined company with revenues of approximately \$29 billion ( \$27 billion) (based on 2016 revenues, see Unaudited Pro Forma Condensed Combined Financial Information ) and combined market value in excess of \$70 billion ( \$66 billion) as of May 31, 2017.

**Q: What will be the beneficial ownership of Linde plc immediately following the business combination?**

A: Former Praxair shareholders and former Linde shareholders are each expected to hold approximately 50% of all outstanding Linde plc shares following the business combination, assuming all Linde shareholders tender and do not withdraw their shares in the exchange offer.

**Q: When do you expect the business combination to be completed?**

A: The merger will be subject to and occur immediately after the settlement of the exchange offer. The exchange offer is subject to certain conditions, including the minimum acceptance condition, the Praxair requisite vote condition, the regulatory condition, and the other conditions described under The Exchange Offer Conditions to the Exchange Offer. The timing for settlement of the exchange offer will depend on the satisfaction of such conditions. Under the terms of the exchange offer, all conditions to the exchange offer must be satisfied by the end of the acceptance period on October 24, 2017, 24:00 hours, Central

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European Time, as extended (which is herein referred to as the acceptance period), except for the regulatory condition. The regulatory condition must be satisfied within twelve months following the end of the acceptance period, *i.e.*, by October 24, 2018. If the regulatory condition is not satisfied by that date or if any other condition is not satisfied at the end of the acceptance period (unless any such non-satisfied condition has been waived at least one working day prior to the end of the acceptance period), the exchange offer will terminate and settlement will not occur. The parties currently expect regulatory approval to be finalized and the business combination to be completed in the second half of 2018 but in no event later than the date that is twelve months after the expiration of the acceptance period, *i.e.*, October 24, 2018. **As a result, the exchange of Linde shares pursuant to the exchange offer and the conversion of Praxair shares pursuant to the merger may be made on a date that is significantly later than the end of the acceptance period, or may not occur.** See The Exchange Offer for a more detailed discussion.

**Q: If the business combination is completed, will the Linde plc shares issued pursuant to the business combination agreement be listed for trading?**

A: Prior to the time of delivery of the Linde plc shares pursuant to the exchange offer and the merger, Linde plc will apply to admit its shares to listing and trading on the New York Stock Exchange (which is herein referred to as the NYSE), subject to official notice of issuance, and will apply to admit its shares to listing and trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange and the sub-segment thereof with additional post-admission obligations (*Prime Standard*). The listings are intended to preserve current Praxair shareholders and Linde shareholders access to their historic trading markets in the United States and in Germany and may further improve liquidity in Linde plc shares and Linde plc's access to additional equity financing sources. Nevertheless, as with listings on more than one stock exchange of certain other issuers, the liquidity in the market for Linde plc shares may be adversely affected if trading is split between two markets at least in the short term and could result in price differentials of Linde plc shares between the two exchanges.

**Q: What happens if the business combination is not completed?**

A: If Praxair shareholders do not approve the business combination proposal or if the business combination is not completed because any other conditions to the exchange offer, including the minimum acceptance condition or the regulatory condition, are not satisfied or waived, or for any other reason, Praxair and Linde will remain independent public companies. Praxair shares and Linde shares will continue to be listed and traded on the NYSE and the Frankfurt Stock Exchange, respectively, and the Linde shares will also continue trading on the stock exchanges in Berlin, Dusseldorf, Hamburg, Munich, Stuttgart, as well as on the Tradegate Exchange and on the open market (*Freiverkehr*) of the Hanover stock exchange, Germany. Praxair, Inc. will continue to have securities registered under the Securities Exchange Act of 1934, as amended (which is herein referred to as the Exchange Act) and will continue to be required to file periodic reports with the SEC.

Praxair, Inc. and Linde AG have certain rights to terminate the business combination agreement or substantially all the covenants therein and one or the other may be required to pay a termination fee. For a summary of termination rights and the effects of a termination of the business combination agreement, including termination fees, see The Business Combination Agreement Termination Termination Rights.

**Q: Who will lead the combined group?**

A: Pursuant to the business combination agreement, at the effective time of the merger, Mr. Stephen F. Angel, current Chairman and CEO of Praxair, Inc., will become CEO and a member of the board of directors of Linde plc, and Prof. Dr. Wolfgang Reitzle, current Chairman of the supervisory board of Linde AG, will become Chairman of the board of directors of Linde plc.

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**Q: Who will comprise the board of directors of the new holding company?**

A: Upon completion of the business combination, the Linde plc board of directors will initially consist of twelve members, including Prof. Dr. Wolfgang Reitzle, Mr. Stephen F. Angel and ten non-executive directors, consisting of five non-executive directors to be designated for appointment by Praxair, Inc., Dr. Nance K. Dicciani, Edward G. Galante, Larry D. McVay, Martin Richenhagen and Robert L. Wood, and five non-executive directors to be designated for appointment by Linde AG Prof. DDr. Ann-Kristin Achleitner, Dr. Clemens Börsig, Dr. Thomas Enders, Franz Fehrenbach and Dr. Victoria Ossadnik. Under the constitution of Linde plc that will be in effect on completion of the business combination, directors will retire at each annual general meeting and may be re-elected by shareholders at that meeting.

**Q: Will my Linde plc shares acquired in the business combination receive dividends?**

A: The dividend policy for the combined group will be determined following completion of the business combination. Although Linde plc currently expects to pay dividends, any dividend paid or changes to its dividend policy are within the discretion of its board of directors and will depend upon many factors, including distributions of earnings to Linde plc by its subsidiaries, the financial condition and results of operations of the combined group, legal requirements, including limitations imposed by Irish law, terms of any outstanding shares of preferred stock, restrictions in any debt agreements that limit its ability to pay dividends to shareholders, restrictions in any series of preferred stock and other factors Linde plc's board of directors deems relevant. For a further discussion of the risks related to the payment of dividends after the business combination, see Risk Factors Risks Relating to Linde plc Shares and Risk Factors Risks Relating to Tax Matters.

**Q: Will there be Irish or U.K. withholding tax on future dividends, if any, by Linde plc?**

A: Linde plc is expected to be tax resident solely in the United Kingdom. As long as Linde plc remains resident for tax purposes outside Ireland, dividends paid by Linde plc will not be subject to Irish withholding tax. See Material Tax Considerations Material Irish Tax Considerations. Under current U.K. law as of the date of this document, which may be subject to change, dividend payments may be made by Linde plc without withholding or deduction for or on account of U.K. income tax. See Material Tax Considerations Material U.K. Tax Considerations.

**About the Praxair Special Meeting**

**Q: What are the proposals on which Praxair shareholders are being asked to vote?**

A: Praxair shareholders are being asked to consider and vote on a proposal to adopt the business combination agreement and to approve the transactions contemplated thereby. The business combination agreement provides for a combination of the businesses of Praxair and Linde under Linde plc. Linde's business will be brought under Linde plc through the exchange offer and Praxair's business will be brought under Linde plc through the merger. The merger is expected to occur immediately following the settlement of the exchange offer.

Praxair shareholders are also being asked to consider and vote on a non-binding advisory proposal to approve the reduction of the share premium account of Linde plc to allow for the creation of distributable reserves of Linde plc, which are generally required under Irish law in order to allow Linde plc to make distributions and to pay dividends and repurchase or redeem shares following completion of the business combination. Under Irish law, dividends may only be paid (and share repurchases and redemptions must generally be funded) out of distributable reserves, which Linde plc will not have immediately following the business combination. In the event that distributable reserves of Linde plc are not created, no distributions by way of dividends, share repurchases or otherwise will be permitted under Irish law until Linde plc has created sufficient distributable reserves from its business activities.

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Praxair shareholders are also being asked to consider and vote on a non-binding advisory proposal to approve the compensation that may become payable to Praxair's named executive officers in connection with the business combination. This proposal is being made in accordance with Section 14A of the Exchange Act and the applicable rules thereunder.

Finally, Praxair shareholders are being asked to approve any proposal that may be made by the chairman of the Praxair board of directors to adjourn or postpone the special meeting in order to (1) solicit additional proxies with respect to the above-mentioned proposals and/or (2) hold the special meeting on a date that is no later than the day prior to the expiration of the acceptance period, in the event that such date of expiration is extended.

The Praxair board of directors unanimously recommends that the Praxair shareholders vote **FOR** each of these proposals. For a discussion of the reasons for this recommendation, see **The Business Combination Praxair's Reasons for the Business Combination**.

### **Q: What are the most significant conditions to the merger?**

A: The only condition to the merger is that the exchange offer closes. The exchange offer is subject to the satisfaction or, where permissible, waiver of certain conditions, including the minimum acceptance condition, the Praxair requisite vote condition, the regulatory condition, and the other conditions described in the section **The Exchange Offer Conditions to the Exchange Offer**.

### **Q: What will I receive in the merger if I am a Praxair shareholder?**

A: In the merger, Praxair shareholders will be entitled to receive one Linde plc share for each of their Praxair shares.

### **Q: What will happen to my Praxair, Inc. stock options, restricted stock units or performance-based stock units in the business combination?**

A: At the effective time of the merger, each option to purchase Praxair shares (which is herein referred to as a Praxair stock option) will be converted into an option to purchase Linde plc shares (which is herein referred to as a Linde plc stock option) on substantially the same terms and conditions as were applicable to such Praxair stock option immediately prior to the effective time of the merger. The number of Linde plc shares subject to each such Linde plc stock option will equal the number of Praxair shares subject to each Praxair stock option immediately prior to the effective time of the merger. Such Linde plc stock option will have the same exercise price per share as the per-share exercise price applicable to such Praxair stock option immediately prior to the effective time of the merger. If a holder of such Linde plc stock options experiences a qualifying termination of employment within two years following the effective time of the merger, such Linde plc stock options will vest in full.

At the effective time of the merger, each restricted stock unit measured in Praxair shares (which is herein referred to as a Praxair RSU) will be converted into a restricted stock unit denominated in Linde plc shares (which is herein referred to as a Linde plc RSU) on substantially the same terms and conditions as were applicable to such Praxair RSU immediately prior to the effective time of the merger. The number of Linde plc shares subject to each such Linde

plc RSU will equal the number of Praxair shares subject to each Praxair RSU immediately prior to the effective time of the merger. If a holder of such Linde plc RSUs experiences a qualifying termination of employment within two years following the effective time of the merger, such Linde plc RSUs will vest in full.

At the effective time of the merger, each performance share unit measured in Praxair shares (which is herein referred to as a Praxair PSU ) will be converted into a Linde plc RSU on substantially the same terms and conditions as were applicable to such Praxair PSU immediately prior to the effective time of the merger, except that the Linde plc RSUs will be subject to service-vesting conditions only, not performance-vesting

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conditions. The number of Linde plc shares subject to each such Linde plc RSU will equal the greater of (i) the target number of Praxair shares subject to such Praxair PSU and (ii) the number of Praxair shares subject to such Praxair PSU determined based on the achievement of the performance goals applicable to such Praxair PSU immediately prior to the effective time of the merger. If a holder of such Linde plc RSUs experiences a qualifying termination of employment within two years following the effective time of the merger, such Linde plc RSUs will vest in full.

**Q: As a Praxair shareholder, will I have appraisal rights in connection with the merger?**

A: Under the Delaware General Corporation Law, which governs the merger, as well as under the Praxair, Inc. certificate of incorporation and bylaws, Praxair shareholders are not entitled to any appraisal rights in connection with the merger. See [The Business Combination](#) [Appraisal Rights](#).

**Q: Will Praxair shareholders be subject to taxation on the Linde plc shares received in the merger?**

A: If a U.S. holder receives Linde plc shares with a fair market value in excess of the adjusted tax basis of such U.S. holder's Praxair shares surrendered in the merger, such U.S. holder will recognize capital gain, if any, to the extent of the difference. A U.S. holder will not recognize any loss on Praxair shares surrendered in the merger (except with respect to any fractional entitlement to Linde plc shares deemed received and exchanged for cash). A U.S. holder who recognizes gain with respect to all of its Praxair shares surrendered in the merger will have an aggregate tax basis in the Linde plc shares received in the merger that is equal to the fair market value of the Linde plc shares as of the effective date of the merger. In the case of a U.S. holder who does not recognize gain with respect to any of its Praxair shares surrendered in the merger, the aggregate basis of the Linde plc shares received for Praxair shares in the merger will be equal to the basis of Praxair shares surrendered. The holding period of Linde plc shares received by a U.S. holder will include the holding period of the Praxair shares surrendered therefor.

A non-U.S. holder will not be subject to U.S. federal income tax on any gain recognized in the merger, unless (i) the gain is effectively connected with a U.S. trade or business of such non-U.S. holder (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment); or (ii) such non-U.S. holder is an individual who is present in the U.S. for 183 days or more in the taxable year of the merger, and certain other conditions are met.

For a further discussion of certain U.S. federal income tax consequences of the merger to Praxair shareholders, see [Material Tax Considerations](#) [Material U.S. Federal Income Tax Considerations](#) [Tax Consequences of the Merger to Holders of Praxair Shares](#).

For a summary of certain U.K. tax consequences for certain Praxair shareholders who are resident and, in the case of an individual, domiciled exclusively in the U.K. for U.K. tax purposes, see [Material Tax Considerations](#) [Material U.K. Tax Considerations](#) [Merger](#) [Taxation of Chargeable Gains](#) and [Material U.K. Tax Considerations](#) [Merger](#) [Stamp Duty and Stamp Duty Reserve Tax](#).

Under Irish tax law, holders of Praxair shares who are not tax resident in Ireland and who do not have a branch or agency in Ireland through which a trade is carried on and to which the holding of such shares is attributable will not be subject to Irish tax as a result of the business combination. For a further discussion of certain Irish tax consequences of the merger to Praxair shareholders, see [Material Tax Considerations](#) [Material Irish Tax Considerations](#).

**Tax matters are very complicated and the tax consequences of the merger to each U.S. holder of Praxair shares may depend on such shareholder's particular facts and circumstances. Holders of Praxair shares are urged to consult their own tax advisors to understand fully the tax consequences to them of the merger.**

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**Q: What is the recommendation of the Praxair board of directors as to each proposal that may be voted on at the Praxair special meeting?**

A: The Praxair board of directors has unanimously approved and declared advisable the business combination agreement, the business combination and all of the other transactions contemplated by the business combination agreement, declared that the transactions contemplated by the business combination agreement are fair to and in the best interests of Praxair, Inc. and its shareholders, directed that the adoption of the business combination agreement be submitted to a vote of Praxair shareholders at the Praxair special meeting and resolved to recommend that the Praxair shareholders vote to adopt the business combination agreement and approve the other matters submitted for approval in connection with the business combination agreement at the Praxair special meeting.

Accordingly, the Praxair board of directors unanimously recommends that Praxair shareholders vote:

1. **FOR** the Business Combination Proposal;
2. **FOR** the Distributable Reserves Creation Proposal;
3. **FOR** the Compensation Proposal; and
4. **FOR** the Shareholder Adjournment Proposal.

**Q: When and where is the Praxair special meeting?**

A: The Praxair special meeting will take place on September 27, 2017, at 10:00 a.m., Eastern Time, at Praxair Headquarters, 10 Riverview Drive, Danbury, Connecticut 06810-6268.

**Q: Who is entitled to vote at the Praxair special meeting?**

A: Only holders of record of Praxair shares at the close of business on August 8, 2017, the record date for the Praxair special meeting, will be entitled to notice of, and to vote at, the Praxair special meeting or any adjournment or postponement thereof.

**Q: Who is soliciting my proxy?**

A: The Praxair management, at the direction of the Praxair board of directors, is soliciting your proxy for use at the Praxair special meeting. It is expected that the solicitation will be primarily by mail or the internet, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of Praxair without special compensation or by Praxair, Inc.'s proxy solicitor, Morrow Sodali LLC. This document describes the voting procedures and the proposals to be voted on at the Praxair special meeting.

**Q: Who will solicit and pay the cost of soliciting proxies?**

A: Praxair, Inc. has engaged Morrow Sodali LLC to assist in the solicitation of proxies from shareholders at a fee of \$48,000 plus reimbursement of out-of-pocket expenses. Praxair also may reimburse banks, brokerage firms, other nominees or their respective agents for their expenses in forwarding proxy materials to beneficial owners of Praxair shares. Praxair's directors, officers and employees also may solicit proxies by telephone, by facsimile, by mail, on the internet or in person. They will not be paid any additional amounts for soliciting proxies.

**Q: What is householding ?**

A: A single proxy statement will be delivered to multiple shareholders sharing an address, unless contrary instructions have been received from an affected shareholder. Once you have received notice from your broker that it will be householding communications to your address, householding will continue until



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you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and you prefer to receive a separate proxy statement, please notify your broker or contact Praxair, Inc.'s proxy solicitor, Morrow Sodali LLC at (203) 658-9400 (banks and brokerage firms) and (800) 662-5200 (stockholders toll free), or online at [px.info@morrow sodali.com](mailto:px.info@morrow sodali.com). Praxair shareholders who currently receive multiple copies of this document at their address and would like to request householding of their communications should contact their broker or bank.

### **Q: How do I vote if I am a Praxair shareholder?**

A: If you are a Praxair shareholder and you hold your Praxair shares in your own name, you may submit your vote for or against the proposals submitted at the Praxair special meeting or your abstention in person or by proxy. Your vote is important. Because many shareholders cannot attend the special 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:

*Vote on the Internet.* If you have internet access, you may submit your proxy or voting instructions by following the instructions provided with your proxy materials and on your proxy card or voting instruction card;

*Vote by Telephone.* You can also vote by telephone 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; or

*Vote 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.

Information and applicable deadlines for using the proxy card, or voting by telephone or through the internet, are set forth in the enclosed proxy card instructions. Alternatively, you may vote in person at the Praxair special meeting by ballot.

If your Praxair shares are registered in the name of a broker, bank or other nominee (which is also known as being held in street name), that broker, bank or other nominee has enclosed or will provide a voting instruction card for you to direct the broker, bank or other nominee how to vote your shares. Praxair shareholders who hold shares in street name must return their instructions to their broker, bank or other nominee on how to vote their shares. If your Praxair 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 in person at the special meeting.

You should be aware that, as of August 8, 2017, Praxair, Inc. directors and executive officers and their affiliates owned and were entitled to vote approximately 0.2% of the outstanding Praxair shares entitled to vote at the Praxair special meeting.

**Q:**

**If I am a Praxair shareholder, what vote is required to approve each proposal, and what happens if I do not vote or if I abstain from voting?**

A: The business combination cannot be completed without approval of the business combination proposal. The business combination proposal requires the affirmative vote of a majority of the outstanding Praxair shares entitled to vote at the Praxair special meeting. A failure to vote, a broker non-vote or an abstention will have the same effect as a vote **AGAINST** the business combination proposal.

The distributable reserves creation proposal, the compensation proposal and the shareholder adjournment proposal each requires the affirmative vote of a majority of the Praxair shares present in person or by proxy and entitled to vote at the Praxair special meeting. An abstention will have the same effect as a vote **AGAINST** such proposals. A failure to vote and broker non-votes will have no effect on the vote on any of the distributable reserves creation proposal, the compensation proposal and the shareholder adjournment proposal.

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The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote shall constitute a quorum. Praxair shares represented at the Praxair special meeting and entitled to vote but not voted, including Praxair shares represented by abstentions, will be considered present for quorum purposes. Broker non-votes will not be counted for purposes of determining whether a quorum is present.

**Q: If I am a Praxair shareholder and my Praxair shares are held in street name by a broker, bank or other nominee, will my broker or bank vote my shares for me?**

A: If you hold your Praxair shares in street name and do not provide voting instructions to your broker, your Praxair shares will not be voted on any proposal on which your broker does not have discretionary authority to vote. Generally, your broker, bank or other nominee does not have discretionary authority to vote on the business combination proposal, the distributable reserves creation proposal, the compensation proposal or the shareholder adjournment proposal. Accordingly, your broker, bank or other nominee will vote your shares held by it in street name only if you provide voting instructions. You should follow the procedures that your broker, bank or other nominee provides. Shares that are not voted because you do not properly instruct your broker, bank or other nominee will have the same effect as a vote AGAINST the business combination proposal. Broker non-votes are not considered shares entitled to vote on the distributable reserves creation proposal, the compensation proposal and the shareholder adjournment proposal and, therefore, will have no effect on the vote on any of such proposals.

Alternatively, you can attend the Praxair special meeting and vote in person if your Praxair shares are held in the name of a bank, broker or other holder of record, by obtaining a proxy, executed in your favor, from the holder of record, to be able to vote at the special meeting.

**Q: Can I change my vote after I have delivered my proxy?**

A: Yes. If you are a Praxair shareholder of record, there are three ways to change your vote after you have submitted a proxy:

you may send a later-dated, signed proxy card to the address indicated on the proxy card, which must be received prior to the Praxair special meeting;

you may attend the Praxair special meeting in person and vote; or

you may send a notice of revocation to the agent for Praxair, Inc., which notice must be received prior to the Praxair special meeting.

Simply attending the Praxair special meeting without voting will not revoke your proxy. Praxair, Inc. proxy cards can be sent by mail to Morrow Sodali LLC, 470 West Avenue 3rd floor, Stamford, CT 06902.

If your Praxair shares are held in an account at a broker, bank or other nominee and you have instructed your broker, bank or other nominee on how to vote your shares, you should follow the instructions provided by your broker, bank or other nominee to change your vote.

**Q: What will happen if the proposals to be considered at the Praxair special meeting are not approved?**

A: Praxair, Inc., Linde AG, Zamalight Subco, Inc., Zamalight Holdco LLC and Linde plc will not be able to complete the business combination if Praxair shareholders do not approve the business combination proposal. The approval of the distributable reserves creation proposal, the compensation proposal or the shareholder adjournment proposal is not a condition to the completion of the business combination.

**Q: When should I submit my proxy?**

A: 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 (including by mail). Please refer to the enclosed proxy materials or the information forwarded by your bank, broker or other nominee to see which voting methods are available to you.

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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. Please exercise your right as a shareholder to vote on all proposals, including the business combination proposal, by instructing your broker by proxy.

**Q: Who can help answer my questions?**

A: The information provided above in the question and answer format is for your convenience only and is merely a summary of some of the information contained in this document. You should read carefully the entire document, including the information in the Annexes. See the section entitled **General Information Where You Can Find More Information; Documents Available for Inspection**. If you are a Praxair shareholder and have any questions about the business combination, or how to submit your proxy, or if you need additional copies of this document or the enclosed proxy card, you should contact:

Morrow Sodali LLC

470 West Avenue 19 floor

Stamford, CT 06902

Banks and Brokerage Firms Call: (203) 658-9400

Stockholders Call Toll Free: (800) 662-5200

Email: [px.info@morrowsodali.com](mailto:px.info@morrowsodali.com)

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**Table of Contents****SUMMARY**

*This summary highlights selected information in this document and may not contain all of the information that is important to you. You should carefully read this entire document, including its annexes and documents referred to herein, for a more complete understanding of the business combination agreement, the transactions contemplated by the business combination agreement, Praxair, Linde and Linde plc. You may obtain additional information without charge by following the instructions under *General Information Where You Can Find More Information; Documents Available for Inspection.**

**Information About the Companies (see page 91)*****Linde plc***

Linde plc (formerly known as Zamalight plc) is a newly incorporated public limited company formed under the laws of Ireland on April 18, 2017, that will become the parent company of Praxair Inc. and Linde AG upon the completion of the business combination. To date, Linde plc has not conducted any material activities other than those incidental to its formation and the matters contemplated by the business combination agreement. On May 26, 2017, Linde plc formed Zamalight Holdco LLC, a Delaware limited liability company (which is herein referred to as Zamalight Holdco ). On July 26, 2017, Linde plc formed Linde Holding GmbH, a German limited liability company (*GmbH*) domiciled in Germany, which on July 28, 2017, in turn formed Linde Intermediate Holding AG, a German stock corporation (*AG*) domiciled in Germany to facilitate the settlement of the exchange offer and a post-completion reorganization with respect to Linde.

Linde plc's principal executive offices are located at The Priestley Centre, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey GU2 7XY, United Kingdom, and its telephone number at that location is +44 1483 242200. Linde plc's registered office is located at Ten Earlsfort Terrace, Dublin 2, D02 T380 Ireland.

***Praxair, Inc.***

Praxair, Inc., a Delaware corporation, was founded in 1907 and became an independent publicly traded company in 1992. Praxair is a leading industrial gas company in North and South America and one of the largest worldwide. It continues to be a major technological innovator in the industrial gases industry. Its primary products in its industrial gases business are atmospheric gases (oxygen, nitrogen, argon, rare gases) and process gases (carbon dioxide, helium, hydrogen, electronic gases, specialty gases, acetylene). Praxair serves a diverse group of industries including healthcare, petroleum refining, manufacturing, food, beverage carbonation, fiber-optics, steel making, aerospace, chemicals and water treatment. Praxair also designs, engineers, and builds equipment that produces industrial gases primarily for internal use. Praxair's surface technologies segment supplies wear-resistant and high-temperature corrosion-resistant metallic and ceramic coatings and powders.

Praxair, Inc.'s principal executive offices are located at 10 Riverview Drive, Danbury, Connecticut 06810-6268, and its telephone number at that location is (203) 837-2000. Its registered office in the State of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, 19808, and its common stock is listed on the NYSE under the symbol PX and ISIN US74005P1049.

***Linde AG***

Linde AG, a German stock corporation (*Aktiengesellschaft*), was founded in 1879. Linde is a gases and engineering company operating globally and, based on its 2016 revenue, one of the largest worldwide. The Linde Group offers a

wide range of compressed and liquefied gases as well as chemicals and is a partner for a variety of industries. Linde gases, such as oxygen, nitrogen, hydrogen, helium and specialty gases, are used, for example, in

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the energy sector, steel production, chemical processing, environmental protection and welding, as well as in food processing, glass production, electronics and in the healthcare sector. Linde is also active in the sale of products in the field of medical technology, of pharmaceutical products and of other products in the healthcare area. Linde's engineering business includes the technology, engineering, procurement, project management and construction of industrial plants. Linde plants are used in a wide variety of fields such as the petrochemical and chemical industries, refineries and fertilizer plants, to recover air gases, to produce hydrogen and synthesis gases and to treat natural gas.

Linde AG's principal executive offices are located at Klosterhofstrasse 1, 80331 Munich, Germany and its telephone number at that location is +49 89 3575701. Its registered office is in Munich, Germany and its shares are listed on the regulated market of the Frankfurt Stock Exchange and the stock exchanges in Berlin, Dusseldorf, Hamburg, Munich and Stuttgart, as well as on the Tradegate Exchange and are also traded on the open market (*Freiverkehr*) of the Hanover stock exchange, in each case under the symbol LIN and ISIN DE0006483001.

## ***Zamalight Holdco***

Zamalight Holdco is a Delaware limited liability company and wholly-owned subsidiary of Linde plc that was formed on May 26, 2017, for the purposes of entering into the business combination agreement. To date, Zamalight Holdco has not conducted any material activities other than those incidental to its formation and the matters contemplated by the business combination agreement. Upon effectiveness of the merger, Praxair, Inc. will become a wholly-owned subsidiary of Zamalight Holdco.

Zamalight Holdco's principal executive offices are located at 10 Riverview Drive, Danbury, Connecticut 06810-5113, and its telephone number at that location is +1 (203) 837-2000. Its registered office in the State of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, 19808.

## ***Merger Sub***

Zamalight Subco, Inc. (which is herein referred to as Merger Sub) is a Delaware corporation and wholly-owned subsidiary of Zamalight Holdco that was formed on May 26, 2017, solely for the purpose of effecting the merger. To date, Merger Sub has not conducted any material activities other than those incidental to its formation and the matters contemplated by the business combination agreement. Upon effectiveness of the merger, Merger Sub will merge with and into Praxair, Inc., with Praxair, Inc. surviving the merger as an indirect wholly-owned subsidiary of Linde plc.

Merger Sub's principal executive offices are located at 10 Riverview Drive, Danbury, Connecticut 06810-5113, and its telephone number at that location is +1 (203) 837-2000. Its registered office in the State of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, 19808.

## **The Business Combination and the Business Combination Agreement (see page 91)**

Pursuant to the business combination agreement, Praxair, Inc. and Linde AG have agreed to combine their businesses under Linde plc, a new Irish holding company. The effect of the business combination will be that Praxair, Inc. and Linde AG will become subsidiaries of Linde plc. Praxair, Inc. will become an indirect subsidiary of Linde plc through a merger of Merger Sub, a wholly-owned indirect subsidiary of Linde plc, with and into Praxair, Inc., with Praxair, Inc. surviving the merger, and Linde AG will become an indirect subsidiary of Linde plc through an exchange offer of Linde plc shares for Linde shares. The business combination agreement is more fully described in the section "The Business Combination Agreement" and a copy of the business combination agreement is attached as Annex A to this document. We encourage you to read the business combination agreement carefully and in its entirety, as it is the legal document that governs the relationship between Praxair and Linde with respect to the business combination.





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**Table of Contents*****The Merger***

The parties to the business combination agreement have agreed that, subject to and immediately after the settlement of the exchange offer, Merger Sub, a wholly-owned indirect subsidiary of Linde plc, will merge with and into Praxair, Inc., with Praxair, Inc. surviving the merger, as a result of which Praxair, Inc. will become a wholly-owned indirect subsidiary of Linde plc. The merger is discussed in more detail in the section *The Business Combination Agreement* *The Merger*.

***Merger Consideration***

In the merger, each outstanding Praxair share will be converted into the right to receive one fully paid and non-assessable Linde plc share (which is herein referred to as the *merger consideration* ). This exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the completion of the merger.

***Treatment of Praxair Equity Awards******Praxair Stock Options***

At the effective time of the merger, each option to purchase Praxair shares (which is herein referred to as a *Praxair stock option* ) will be converted into an option to purchase Linde plc shares (which is herein referred to as a *Linde plc stock option* ) on substantially the same terms and conditions as were applicable to such Praxair stock option immediately prior to the effective time of the merger. The number of Linde plc shares subject to each such Linde plc stock option will equal the number of Praxair shares subject to each Praxair stock option immediately prior to the effective time of the merger. Such Linde plc stock option will have the same exercise price per share as the per-share exercise price applicable to such Praxair stock option immediately prior to the effective time of the merger. If a holder of such Linde plc stock options experiences a qualifying termination of employment within two years following the effective time of the merger, such Linde plc stock options will vest in full.

***Praxair Restricted Stock Units***

At the effective time of the merger, each restricted stock unit measured in Praxair shares (which is herein referred to as a *Praxair RSU* ) will be converted into a restricted stock unit measured in Linde plc shares (which is herein referred to as a *Linde plc RSU* ) on substantially the same terms and conditions as were applicable to such Praxair RSU immediately prior to the effective time of the merger. The number of Linde plc shares subject to each such Linde plc RSU will equal the number of Praxair shares subject to each Praxair RSU immediately prior to the effective time of the merger. If a holder of such Linde plc RSUs experiences a qualifying termination of employment within two years following the effective time of the merger, such Linde plc RSUs will vest in full.

***Praxair Performance Share Units***

At the effective time of the merger, each performance share unit measured in Praxair shares (which is herein referred to as a *Praxair PSU* ) will be converted into a Linde plc RSU on substantially the same terms and conditions as were applicable to such Praxair PSU immediately prior to the effective time of the merger except that the Linde plc RSUs will be subject to service-vesting conditions only, not performance-vesting conditions. The number of Linde plc shares subject to each such Linde plc RSU will equal the greater of (i) the target number of Praxair shares subject to such Praxair PSU and (ii) the number of Praxair shares subject to such Praxair PSU determined based on the achievement of the performance goals applicable to such Praxair PSU immediately prior to the effective time of the merger. If a holder of such Linde plc RSUs experiences a qualifying termination of employment within two years

following the effective time of the merger, such Linde plc RSUs will vest in full.

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### *Conditions to the Merger*

The only condition to the merger is that the exchange offer closes.

### *Praxair Shareholders' Appraisal Rights*

Under the Delaware General Corporation Law, which governs the merger, as well as under the Praxair, Inc. certificate of incorporation and bylaws, Praxair shareholders are not entitled to any appraisal rights in connection with the merger. See *The Business Combination Appraisal Rights*.

### *The Exchange Offer*

In the exchange offer, Linde shareholders will be offered to exchange each of their Linde shares for 1.540 Linde plc shares. The American Depositary Receipts of Linde AG (which are herein referred to as ADRs), each representing the beneficial interest in one tenth of one Linde share, may not be tendered in the exchange offer. However, ADRs may be exchanged for Linde shares pursuant to the deposit agreement, and those Linde shares may in turn be tendered in the exchange offer. The exchange offer is discussed in more detail in the section *The Exchange Offer*.

Assuming that all of the outstanding Linde shares are exchanged in the exchange offer, the aggregate number of Linde plc shares issued to the Linde shareholders will equal approximately 50% of the Linde plc shares outstanding at the completion of the business combination.

### *Acceptance Period; Additional Acceptance Period*

The acceptance period for the exchange offer starts on August 15, 2017, and will expire on October 24, 2017, 24:00 hours, Central European Time, unless extended. Withdrawal rights will cease at the time of the end of the acceptance period.

Following the end of the acceptance period, and if all conditions to the exchange offer (other than the regulatory condition which need not be satisfied until up to twelve months following the end of the acceptance period, *i.e.*, until October 24, 2018) have been satisfied or, where permissible, waived, the German Takeover Act provides an additional acceptance period of two weeks. The additional acceptance period will be an additional two-week period beginning on the day after the publication of the results of the acceptance period. During the additional acceptance period, shareholders may tender, but not withdraw, their Linde shares. Linde plc intends to publish such results no later than three business days following the expiration of the acceptance period. If the acceptance period is not extended, the additional acceptance period is expected to start on October 28, 2017, and to expire on November 10, 2017, 24:00 hours (Central European Time). See *The Exchange Offer Timetable*.

Pursuant to Section 39c of the German Takeover Act, Linde shareholders who did not tender their shares in the exchange offer may have the right (*Andienungsrecht*) to require Linde plc to exchange their Linde shares for the exchange offer consideration under certain conditions. See *The Exchange Offer Timetable Put Right Period*.

### *Conditions to the Exchange Offer*

The exchange offer is subject to the satisfaction or, where permissible, waiver of certain conditions, including the minimum acceptance condition (which requires that 75% of all Linde shares entitled to voting rights are tendered and not withdrawn in the exchange offer), the Praxair requisite vote condition, the regulatory



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condition, and the other conditions described in the section *The Exchange Offer – Conditions to the Exchange Offer*. Except for the regulatory condition, all conditions to the exchange offer must be satisfied on or prior to the end of the acceptance period. The regulatory condition may remain outstanding for up to twelve months following the end of the acceptance period, until October 24, 2018. As a result, the exchange of Linde shares pursuant to the exchange offer and conversion of Praxair shares pursuant to the merger may take place on a date that is significantly later than the end of the acceptance period, or may not occur. See *The Exchange Offer – Timetable* and *The Exchange Offer – Waiver of Conditions to the Exchange Offer*.

*Settlement of the Exchange Offer*

The Linde plc shares issued pursuant to the exchange offer to Linde shareholders who tendered, and did not withdraw, their Linde shares in the exchange offer, will be credited to DTC's nominee, Cede & Co. (which is herein referred to as the *Nominee*), and then to the accounts of DTC's participants, including Clearstream, who will in turn credit the securities custody accounts of the custodian banks maintained therein without undue delay and no later than seven business days following the later of (i) the publication of the results of the additional acceptance period or (ii) the satisfaction of the regulatory condition. Linde plc intends to publish such results no later than three business days following the expiration of the additional acceptance period. Under the terms of the exchange offer, the regulatory condition may remain outstanding for up to twelve months following the end of the acceptance period, *i.e.*, until October 24, 2018. If the regulatory condition is not satisfied by that date (or waived at least one working day prior to the end of the acceptance period), the exchange offer will terminate and settlement will not occur. See *The Exchange Offer – Settlement of the Exchange Offer*. As used in this document, *business day* means any day other than a Saturday, Sunday or other day on which banks in Frankfurt am Main, Germany, or New York, New York, are generally closed, except when the context requires otherwise. As used in this document, *working day* means any day other than a Sunday or a federal public holiday in Germany. The settlement will be a single settlement for all Linde shares tendered and not withdrawn in the exchange offer. There will be no separate settlements for Linde shares tendered in the acceptance period and Linde shares tendered in the additional acceptance period, respectively.

*Treatment of Linde Equity Awards*

The Linde Long Term Incentive Plan 2012 (which is herein referred to as the *Linde LTIP*) and the outstanding Linde equity awards that were granted under the Linde LTIP (consisting of options to purchase Linde shares, which are herein referred to as *Linde stock options*, and rights to receive Linde matching shares, which are herein referred to as *Linde matching share rights*) will be terminated in connection with the transaction. The termination date of the Linde LTIP is herein referred to as the *Linde LTIP termination time*. With respect to any holder who is a member of the executive board of Linde AG, the Linde LTIP termination time will occur upon the post-completion reorganization of Linde taking effect, provided that it occurs within 18 months after the consummation of the exchange offer, and with respect to any other holder of Linde equity awards, the Linde LTIP termination time will occur immediately after the consummation of the exchange offer.

In connection with the termination of the Linde LTIP and Linde equity awards, as a general matter, each unvested Linde equity award will be partially paid out in cash and partially replaced with Linde plc equity awards that are subject to vesting based on continued service until the end of the four-year waiting period applicable to the relevant Linde equity award. The extent to which each Linde equity award will be paid out in cash as opposed to replaced with Linde plc equity awards will be based on the extent to which the award's waiting period has elapsed as of consummation of the exchange offer, as described below.

At the Linde LTIP termination time, the cash payment with respect to each Linde stock option will be determined in good faith (*nach billigem Ermessen*) by Linde considering certain criteria specified in the Linde



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LTIP conditions, including (i) the degree of the achievement of the performance targets set forth in the Linde LTIP at the time of consummation of the exchange offer, (ii) the elapsed time of the waiting period applicable for the respective Linde LTIP tranches up to the time of consummation of the exchange offer, and (iii) the market capitalization and the business prospects of Linde, as they were expected to develop without taking into consideration the exchange offer and its consummation. Similarly, the cash payment with respect to each Linde matching share right will be determined in good faith (*nach billigem Ermessen*) by Linde considering, to the extent applicable, the criteria specified in the Linde LTIP conditions with respect to Linde stock options.

The replacement Linde plc equity awards will be granted in the form of (i) Linde plc stock options, in respect of terminated Linde stock options, and (ii) Linde plc RSUs, in respect of terminated Linde matching share rights. The number of replacement Linde plc stock options and Linde plc RSUs awarded to a beneficiary will reflect (i) the number of equity awards of the relevant type outstanding as of closing of the exchange offer, (ii) multiplication by the exchange ratio, (iii) adjustment to reflect, on a prorated basis, the remaining portion of the respective four-year waiting period for each tranche and (iv) further adjustment to reflect Linde's good faith consideration of the criteria set forth in the Linde LTIP conditions (to the extent applicable) in determining the cash payments upon termination.

The Linde plc stock options will have an exercise price equal to the exercise price that applied to the terminated Linde stock options (*i.e.*, 2.56 per share), adjusted for the exchange ratio. The waiting period for each tranche of Linde plc stock options and Linde plc RSUs will correspond to the remainder of the respective original waiting period under the Linde LTIP and the exercise period in respect of the Linde plc stock options will be the same as the exercise period that applied to the terminated Linde stock options. Vesting of the Linde plc stock options and Linde plc RSUs will be conditioned on continued employment through the applicable waiting periods (subject to certain good leaver provisions). To become entitled to exercise Linde plc stock options and to earn Linde plc RSUs, each beneficiary who belonged to certain top management levels of the Linde remuneration system must hold a specified number of Linde plc shares until the expiry of the waiting periods applicable to the corresponding Linde plc stock options and RSUs. For all other beneficiaries, such holding of Linde plc shares is generally voluntary but required to earn Linde plc RSUs. The treatment of the Linde equity awards is discussed in more detail in the section "The Business Combination Agreement – The Exchange Offer – Consideration Offered to Linde Shareholders."

**Termination Fees**

The business combination agreement requires Praxair, Inc. to pay Linde AG a termination fee of 250 million if:

the business combination is terminated by Linde AG prior to the receipt of the Praxair requisite vote, because the Praxair board of directors changed its recommendation for the merger;

the business combination is terminated by either Praxair, Inc. or Linde AG prior to the expiration of the acceptance period, if both of the following circumstances have occurred: (1) the Praxair requisite vote has not been obtained after a vote of the Praxair shareholders has been taken and completed at the Praxair special meeting and (2) at the time of such termination of the business combination agreement, Linde AG was entitled to terminate the business combination agreement because the Praxair board of directors changed its recommendation for the merger (for the avoidance of doubt, if the Praxair requisite vote is not obtained but the Praxair board of directors did not change its recommendation, then Praxair, Inc. is not required to pay Linde AG a termination fee pursuant to this provision); or



(1) after the date of the business combination agreement, an acquisition proposal for Praxair by a third party has been publicly announced or otherwise publicly communicated or made publicly known (or any third party shall have publicly announced, communicated or made known a bona fide intention,

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whether or not conditional, to make a proposal with respect to an acquisition proposal) and such acquisition proposal or publicly announced intention has not been publicly withdrawn on a bona fide basis without qualification prior to the Praxair special meeting; (2) thereafter, the business combination agreement is terminated either (a) by Praxair, Inc. or Linde AG because the Praxair requisite vote has not been obtained after a vote of the Praxair shareholders has been taken and completed at the Praxair special meeting or (b) by Linde AG as a result of Linde plc's failure to publish its decision to launch the exchange offer without undue delay; and (3) within twelve months following such termination, Praxair, Inc. or any of its subsidiaries executes an acquisition agreement with respect to, or consummates, approves or recommends to the Praxair shareholders to accept, an acquisition proposal for Praxair by a third party that would result in 50% or more of the total voting power or of any class of equity securities of Praxair, Inc., a majority of the voting power or of any class of equity securities of any of Praxair, Inc.'s major subsidiaries, or 50% or more of the consolidated net revenues, net income or total assets (including equity securities of subsidiaries) of Praxair, Inc. being acquired by such third party.

The business combination agreement requires Linde AG to pay Praxair, Inc. a termination fee of \$250 million if:

the business combination is terminated by Praxair, Inc. prior to the satisfaction or waiver of the minimum acceptance condition, because either the Linde executive board or the Linde supervisory board has failed to issue its respective reasoned statement within 20 business days of the commencement of the exchange offer;

the business combination is terminated by Praxair, Inc. prior to the satisfaction or waiver of the minimum acceptance condition because (i) the Linde executive board has changed its recommendation that Linde shareholders accept the exchange offer and tender their shares in the exchange offer; or (ii) the Linde supervisory board has changed its recommendation that Linde shareholders accept the exchange offer and tender their shares in the exchange offer by recommending that Linde shareholders not accept the exchange offer;

the business combination is terminated by either Praxair, Inc. or Linde AG because, at the expiration of the acceptance period, the minimum acceptance condition has not been satisfied or waived and, at the time of such termination of the business combination agreement, (a) Praxair, Inc. was entitled to terminate the business combination agreement because (i) either the Linde executive board or the Linde supervisory board has failed to issue its respective reasoned statement within 20 business days of the commencement of the exchange offer or (ii) (x) the Linde executive board has changed its recommendation that Linde shareholders accept the exchange offer and tender their shares in the exchange offer or (y) the Linde supervisory board has changed its recommendation that Linde shareholders accept the exchange offer and tender their shares in the exchange offer by recommending that Linde shareholders not accept the exchange offer or (b) the Linde supervisory board had changed its recommendation that Linde shareholders accept the exchange offer and tender their shares in the exchange offer by issuing a statement neither recommending that the Linde shareholders reject the exchange offer nor recommending that the Linde shareholders accept the exchange offer; or

(1) after the date of the business combination agreement, an acquisition proposal for Linde by a third party has been publicly announced or otherwise publicly communicated or made publicly known (or any third party shall have publicly announced, communicated or made known a bona fide intention, whether or not

conditional, to make a proposal with respect to an acquisition proposal) and such acquisition proposal or publicly announced intention has not been publicly withdrawn on a bona fide basis without qualification prior to the expiration of the acceptance period; (2) thereafter, the business combination agreement is terminated by Praxair, Inc. or Linde AG because the minimum acceptance condition has not been satisfied or waived; and (3) within twelve months following such termination,

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Linde or any of its subsidiaries executes an acquisition agreement with respect to, or consummates, approves or recommends to the Linde shareholders to accept, an acquisition proposal for Linde by a third party that would result in 50% or more of the total voting power or of any class of equity securities of Linde AG, a majority of the voting power or of any class of equity securities of any of Linde AG's major subsidiaries, or 50% or more of the consolidated net revenues, net income or total assets (including equity securities of subsidiaries) of Linde AG being acquired by such third party.

***Parallel Acquisitions***

Linde plc reserves the right, to the extent legally permissible, to directly or indirectly acquire additional Linde shares outside the exchange offer in the open market or otherwise. See the section **The Exchange Offer** **Parallel Acquisitions**.

In addition, affiliates of the financial advisors to Linde and Praxair, respectively, reserve the right, to the extent legally permissible, to engage in ordinary course trading activities in Linde shares, which may include purchases or arrangements to purchase such securities.

***Linde Shareholders Appraisal Rights***

Pursuant to German law, an appraisal proceeding is not available in connection with the exchange offer. However, appraisal rights may be available to Linde shareholders with respect to certain post-completion reorganization transactions. Under the German Appraisal Proceedings Act (*Spruchverfahrensgesetz*), a court may be asked to determine the adequacy of the consideration or compensation paid to minority shareholders in connection with (1) a domination and/or profit and loss transfer agreement; and (2) a cash merger squeeze-out or a corporate squeeze-out. Appraisal rights are not available in connection with a takeover squeeze-out. Linde shareholders seeking appraisal rights, if available, must comply with the requirements of German law. In the appraisal proceeding, courts generally do not take into account the offer consideration when valuing the shares. Therefore, the amount of compensation paid for Linde shares in an appraisal proceeding, if any, may be higher or lower than, or equal to, the exchange offer consideration. See **The Business Combination** **Potential Post-Completion Reorganization Regarding Linde**.

***Potential Post-Completion Reorganization Regarding Linde***

Linde plc intends to pursue a post-completion reorganization with respect to Linde after completion of the exchange offer if the relevant ownership threshold for such a post-completion reorganization has been reached as a result of or following the exchange offer. A post-completion reorganization could eliminate any minority shareholder interests in Linde AG remaining after the settlement of the exchange offer or allow Linde plc to control Linde to the greatest extent permissible despite any remaining minority shareholder interests. The type of such transaction will mainly depend on the percentage of Linde shares acquired in the exchange offer and, to the extent legally permissible, in the open market or otherwise. Post-completion reorganization transactions are expected to include a domination agreement (*Beherrschungsvertrag*) and/or a profit and loss transfer agreement (*Gewinnabführungsvertrag*) and may include squeeze-out transactions in accordance with German law.

For instance, following the business combination, Linde plc (directly or through Linde Intermediate Holding AG) may enter into a domination agreement and/or a profit and loss transfer agreement. Under a domination agreement, Linde Intermediate Holding AG would be able to give legally binding instructions to the executive board of Linde AG. Under a profit and loss transfer agreement, Linde AG would transfer its annual profits and losses to Linde Intermediate Holding AG. Both a domination agreement and a profit and loss transfer agreement are agreements between affiliated business entities under the German Stock Corporation Act (*Aktiengesetz*) which must be approved at a meeting of shareholders of Linde AG by a majority of at least 75% of the share capital represented at the meeting.



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Alternatively, or in addition to a domination agreement and/or a profit and loss transfer agreement, Linde plc may, under certain circumstances, commence a squeeze-out with respect to Linde shares that Linde plc does not already own, directly or through Linde Intermediate Holding AG, after settlement of the exchange offer (which is herein referred to as a squeeze-out transaction). A squeeze-out transaction may be effected in three ways: (1) a cash merger squeeze-out pursuant to Sections 62(1) and 62(5) of the German Transformation Act, if Linde plc, directly or through Linde Intermediate Holding AG, holds at least 90% of Linde AG's share capital, excluding treasury shares and shares held for the account of Linde, (2) a corporate squeeze-out pursuant to Sections 327a *et seq.* of the German Stock Corporation Act, if Linde plc, directly or through Linde Intermediate Holding AG, holds at least 95% of Linde AG's share capital, excluding treasury shares and shares held for the account of Linde or (3) a takeover squeeze-out pursuant to Sections 39a *et seq.* of the German Takeover Act, if Linde plc, directly or through Linde Intermediate Holding AG, acquires in connection with the exchange offer, at least 95% of Linde AG's share capital, excluding treasury shares and shares held for the account of Linde. See *The Business Combination Potential Post-Completion Reorganization Regarding Linde*.

In addition to acquiring Linde shares in the exchange offer, Linde plc may, subject to applicable law, purchase additional Linde shares in the open market or otherwise. So long as Linde AG has remaining minority shareholders, it must invite such minority shareholders to annual meetings according to the German Stock Corporation Act. In such annual meetings, these minority shareholders may exercise all shareholder rights under the German Stock Corporation Act, including information rights. Resolutions adopted in such annual meetings can also be contested in court by any minority shareholder pursuant to Sections 243 *et seq.* of the German Stock Corporation Act.

Under a domination agreement and/or a profit and loss transfer agreement, each Linde shareholder who did not tender in the exchange offer will be offered to elect either (1) to remain a Linde shareholder and, in the case of a domination agreement, receive an adequate fixed or variable annual guaranteed dividend (*Garantiertdividende*) or, in the case of a profit and loss transfer agreement, receive annual recurring compensation (*Ausgleich*) pursuant to Section 304 of the German Stock Corporation Act, or (2) to receive adequate exit compensation in exchange for its Linde shares pursuant to Section 305(2) of the German Stock Corporation Act. The parties to such agreement will determine the amount of compensation. The minimum amount of a fixed annual payment must be determined and paid to the remaining minority Linde shareholders based on the amount that is likely to be distributed as the average dividend per share, given Linde's past and current results of operations determined pursuant to the German Commercial Code (*Handelsgesetzbuch*) and the German Stock Corporation Act, and Linde's future earnings prospects. A variable dividend would be determined based on the dividend actually paid at the level of Linde plc in every forthcoming year. The fixed or variable annual guaranteed dividend or annual recurring compensation may be lower than the dividend payments remaining Linde shareholders would be able to receive, if a domination and profit and loss transfer agreement had not been concluded. When determining the adequate exit compensation for Linde shareholders who elect to receive such compensation in exchange for their Linde shares, Linde plc will use Linde's discounted earnings (*Ertragswert*) or, if appropriate, discounted cash flow, to value the Linde shares. Linde plc currently intends to provide (directly or through Linde Intermediate Holding AG) the adequate exit compensation only in Linde plc shares. In general, the compensation must not be less than the volume weighted average market price of Linde shares for the three-month period prior to the announcement of Linde plc's intention to enter into the domination agreement and/or profit and loss transfer agreement. Following the approval of such transaction by the shareholder meeting of Linde AG and its registration with the competent commercial register, each remaining minority Linde shareholder may challenge such determination pursuant to the German Appraisal Proceedings Act (*Spruchverfahrensgesetz*). The amount or value of compensation paid for Linde shares in an appraisal proceeding, if any, may be higher or lower than, or equal to, the exchange offer consideration. See *The Business Combination Potential Post-Completion Reorganization Regarding Linde*.



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In the event of a squeeze-out transaction, shares of Linde shareholders who did not tender their shares in the exchange offer will automatically be converted into the right to receive adequate compensation in the case of (1) a cash merger squeeze-out or a corporate squeeze-out, compensation in cash, and (2) a takeover squeeze-out, the exchange offer consideration or, at the shareholder's election, all-cash compensation. In the case of a squeeze-out transaction, Linde plc will determine the adequate compensation using Linde's discounted earnings (*Ertragswert*) or, if appropriate, discounted cash flow, to value the Linde shares. In general, the compensation must not be less than the volume weighted average market price of Linde shares for the three-month period prior to the announcement of Linde plc's intention to effect such squeeze-out transaction. In the case of a takeover squeeze-out, the consideration offered in connection with the exchange offer shall be considered to be adequate where the bidder has acquired, in connection with the exchange offer, shares representing not less than 90% of the share capital (excluding treasury shares) for which the exchange offer was made. Following the approval of a cash merger squeeze-out or a corporate squeeze-out by the shareholder meeting of Linde AG and its registration with the competent commercial register, each remaining minority Linde shareholder may challenge such determination pursuant to the German Appraisal Proceedings Act. The amount of compensation paid for Linde shares in an appraisal proceeding, if any, may be higher or lower than, or equal to, the exchange offer consideration. However, appraisal rights are not available in connection with a takeover squeeze-out. If Linde plc is unable to complete a squeeze-out, the remaining Linde shareholders will continue to be entitled to all ordinary shareholder rights (except for annual dividends in the case of a profit and loss transfer agreement).

Linde shareholders located or resident in the United States will participate in any post-completion reorganization transaction. For further details regarding the post-completion reorganization, see *The Business Combination – Potential Post-Completion Reorganization Regarding Linde*.

**The Praxair Special Meeting (see page 83)**

To effect the merger, a special meeting of Praxair shareholders will be held at Praxair Headquarters, 10 Riverview Drive, Danbury, Connecticut 06810-6268, on September 27, 2017, starting at 10:00 a.m., Eastern Time. Praxair shareholders are entitled to notice of, and to vote at, the Praxair special meeting if they owned Praxair shares at the close of business on August 8, 2017, which is the record date for the special meeting. As of August 8, 2017, there were 286,065,119 Praxair shares outstanding and entitled to vote at the Praxair special meeting. As of August 8, 2017, Praxair, Inc. directors and executive officers and their affiliates owned and were entitled to vote approximately 0.2% of the outstanding Praxair shares entitled to vote at the Praxair special meeting.

At the Praxair special meeting, Praxair shareholders will be asked to consider and vote on:

a proposal to adopt the business combination agreement, dated as of June 1, 2017, as amended, by and among Praxair, Inc., Linde AG, Linde plc, Zamalight Holdco and Merger Sub, and to approve the transactions contemplated thereby (which is herein referred to as the *business combination proposal*), pursuant to which, among other things, Praxair, Inc. and Linde AG agreed to combine their businesses, through a merger and an exchange offer, respectively, and become subsidiaries of Linde plc;

a non-binding advisory proposal to approve the reduction of the share premium account of Linde plc to allow for the creation of distributable reserves of Linde plc, which are generally required under Irish law in order to allow Linde plc to make distributions and to pay dividends and repurchase or redeem shares following completion of the business combination (which is herein referred to as the *distributable reserves*);



creation proposal );

a non-binding advisory proposal to approve the compensation that may become payable to Praxair's named executive officers in connection with the business combination (which is herein referred to as the compensation proposal ); and

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any proposal that may be made by the chairman of the Praxair board of directors to adjourn or postpone the special meeting in order to (1) solicit additional proxies with respect to the above-mentioned proposals and/or (2) hold the special meeting on a date that is no later than the day prior to the expiration of the acceptance period, in the event that such date of expiration is extended (which is herein referred to as the shareholder adjournment proposal ).

Each Praxair share is entitled to one vote on each proposal at the Praxair special meeting. The business combination proposal requires the affirmative vote of a majority of the outstanding Praxair shares entitled to vote at the Praxair special meeting (which is herein referred to as the Praxair requisite vote ). The business combination cannot be completed without approval of the business combination proposal. A failure to vote, a broker non-vote or an abstention will have the same effect as a vote AGAINST the business combination proposal. The distributable reserves creation proposal, the compensation proposal and the shareholder adjournment proposal each requires the affirmative vote of a majority of the Praxair shares present in person or by proxy and entitled to vote at the Praxair special meeting. An abstention will have the same effect as a vote AGAINST such proposals. A failure to vote and broker non-votes will have no effect on the vote on any of the distributable reserves creation proposal, the compensation proposal and the shareholder adjournment proposal.

The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote shall constitute a quorum. Praxair shares represented at the Praxair special meeting and entitled to vote but not voted, including Praxair shares represented by abstentions, will be considered present for quorum purposes. Broker non-votes will not be counted for purposes of determining whether a quorum is present.

**Praxair's Reasons for the Business Combination (see page 102)**

At a meeting held on May 31, 2017, after due consideration and consultation with Praxair, Inc.'s management and legal and financial advisors, the Praxair board of directors unanimously (i) determined that the merger and the other transactions contemplated by the business combination agreement are consistent with, and will further, the business strategies and goals of Praxair, and are advisable and fair to, and in the best interests of, the Praxair shareholders, (ii) approved and declared advisable the business combination agreement and the transactions contemplated by the business combination agreement, including the merger, and (iii) determined, subject to applicable law, to unanimously recommend that the Praxair shareholders adopt the business combination agreement. In reaching its decision, the Praxair board of directors considered a number of factors in connection with its evaluation of the proposed transactions, including the expectation that the business combination would create a leading integrated global industrial gases company, create a company with increased capabilities across a larger global footprint, and create a more resilient portfolio, and potential synergies, as supporting its decision to enter into the business combination agreement and to approve and declare advisable the transactions contemplated thereby. See The Business Combination Praxair's Reasons for the Business Combination for a discussion of the factors considered by the Praxair board of directors.

**Linde's Reasons for the Business Combination (see page 105)**

After due consideration and consultation with its outside legal and financial advisors, the executive board of Linde, in its meeting held on June 1, 2017, determined that the business combination, the business combination agreement and the transactions contemplated therein are in the best interest of Linde and its shareholders and unanimously approved the business combination agreement. Also after due consideration and consultation with its outside legal and financial advisors, the supervisory board of Linde, in its meeting held on June 1, 2017, determined that the business combination, the business combination agreement and the transactions contemplated therein are in the best interest of Linde and its shareholders and approved the business combination agreement. In reaching its decision, the executive board and the supervisory board of Linde considered a number of factors in connection with their evaluation of the

proposed transactions, including significant strategic opportunities,

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potential synergies and expected strengths of the combined group, as supporting their decision to enter into the business combination agreement and to approve and declare advisable the transactions contemplated thereby. See [The Business Combination – Linde’s Reasons for the Business Combination](#) for a discussion of the factors considered by the Linde executive board and the Linde supervisory board.

**Regulatory Approvals Related to the Business Combination (see page 166)**

While Praxair and Linde believe that they will receive the requisite regulatory approvals for the business combination, there can be no assurances regarding the timing of the approvals, any conditions to such approvals, including significant divestitures by Praxair and/or Linde, their ability to obtain the approvals, including antitrust approvals, on satisfactory terms or at all or the absence of litigation challenging these approvals. Praxair’s and Linde’s obligation to complete the business combination is conditioned upon the receipt of certain approvals, including antitrust approvals in a number of jurisdictions. See [The Exchange Offer – Conditions to the Exchange Offer](#).

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (which is herein referred to as the HSR Act), and the rules promulgated thereunder by the U.S. Federal Trade Commission (which is herein referred to as the FTC), the business combination may not be completed until notification and report forms have been filed with the FTC and the U.S. Federal Department of Justice (which is herein referred to as the DOJ) and the applicable waiting periods have expired or have been terminated. On July 7, 2017, Praxair, Inc. and Linde AG filed pre-merger notification and report forms pursuant to the HSR Act with the FTC and the DOJ. On August 7, 2017, each of Praxair, Inc. and Linde AG received a request for additional information and documentary materials, or second request, from the FTC regarding the business combination, thereby extending the waiting period until 11:59 p.m., Eastern Time, on the 30th day after certification of substantial compliance by Praxair, Inc. and Linde AG with such second requests, unless altered. Praxair, Inc. and Linde AG intend to respond promptly to such second requests and will continue to work cooperatively with regulators in connection with this review.

Under Council Regulation (EC) No. 139/2004 (which is herein referred to as the EU Merger Regulation), the European Commission has 25 working days following receipt of a complete notification form to issue a decision declaring the business combination to be compatible with the Common Market or to open an in-depth investigation. If the European Commission initiates an in-depth investigation, it must issue a final decision as to whether or not the business combination is compatible with the Common Market no later than 90 working days after the initiation of the in-depth investigation (although these periods may be extended in certain circumstances).

In addition, after publication of the German exchange offer document and at the latest by the expiration of twelve months following the end of the acceptance period, *i.e.*, by October 24, 2018, the CFIUS Approval (as defined in [The Business Combination Agreement – Conditions to Completing the Business Combination](#)) must be obtained.

In addition, Praxair, Linde and Linde plc currently expect that a number of regulatory approvals in other countries will be solicited and a number of filings will be made or have been made in connection with the business combination. See [The Business Combination – Regulatory Approvals Related to the Business Combination](#). The parties currently expect regulatory approval to be finalized and the business combination to be completed in the second half of 2018 but in no event later than the date that is twelve months after the expiration of the acceptance period, *i.e.*, October 24, 2018.

**Directors and Management of Linde plc Prior to the Business Combination (see page 260)**

To date, Linde plc has not conducted any material activities other than those incidental to its formation and the matters contemplated by the business combination agreement. Linde plc is managed by its board of directors



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which currently comprises four directors, two of whom have been designated by Praxair, and two of whom have been designated by Linde.

**Directors and Management of Linde plc Following the Business Combination (see page 263)*****Linde plc Chief Executive Officer and Linde plc Chairman***

Pursuant to the business combination agreement, at the effective time of the merger, Mr. Stephen F. Angel, current Chairman and CEO of Praxair, Inc., will become CEO and a member of the board of directors of Linde plc, and Prof. Dr. Wolfgang Reitzle, current Chairman of the supervisory board of Linde AG (which is herein referred to as the Linde supervisory board ), will become Chairman of the board of directors of Linde plc.

***Linde plc Board of Directors***

Upon completion of the business combination, the Linde plc board of directors will initially consist of twelve members, including Prof. Dr. Wolfgang Reitzle, Mr. Stephen F. Angel and ten non-executive directors, consisting of five non-executive directors to be designated for appointment by Praxair, Inc. (such directors and Mr. Stephen F. Angel are herein referred to as Praxair Designees ), Dr. Nance K. Dicciani, Edward G. Galante, Larry D. McVay, Martin Richenhagen and Robert L. Wood; and five non-executive directors to be designated for appointment by Linde AG (such directors and Prof. Dr. Wolfgang Reitzle are herein referred to as Linde Designees ), Prof. DDr. Ann-Kristin Achleitner, Dr. Clemens Börsig, Dr. Thomas Enders, Franz Fehrenbach and Victoria Ossadnik. Under the constitution of Linde plc that will be in effect on completion of the business combination, directors will retire at each annual general meeting and may be re-elected by shareholders at that meeting.

***Board Committees***

Immediately following the completion of the business combination, the Linde plc board of directors will establish the following committees: (i) the audit committee, (ii) the compensation committee, (iii) the executive committee and (iv) the nomination and governance committee. For three years following the completion of the business combination, the audit, the compensation and the nomination and governance committee will each consist of six directors, three of whom will be appointed by a majority of the Praxair Class Directors and three of whom will be appointed by a majority of the Linde Class Directors, in each case subject to applicable legal and regulatory requirements. A Linde Class Director is an individual who was a Linde Designee or nominated and appointed or elected to fill a vacancy created by the resignation, removal, death or disability of a Linde Class Director (provided that, for purposes of determining committee composition, a director nominated by the Linde plc shareholders who replaces a Linde Class Director removed by vote of the Linde plc shareholders will not be a Linde Class Director unless approved by a majority of the remaining Linde Class Directors). A Praxair Class Director is an individual who was a Praxair Designee or nominated and appointed or elected to fill a vacancy created by the resignation, removal, death or disability of a Praxair Class Director (provided that, for purposes of determining committee composition, a director nominated by the Linde plc shareholders who replaces a Praxair Class Director removed by vote of the Linde plc shareholders will not be a Praxair Class Director unless approved by a majority of the remaining Praxair Class Directors). For three years following the completion of the business combination, the executive committee will consist of four directors, consisting of the Chairman of the Linde plc board of directors (so long as the Chairman is a Linde Class Director), the Chief Executive Officer (so long as the Chief Executive Officer is a Praxair Class Director) and one director appointed by a majority of the Praxair Class Directors and one director appointed by a majority of the Linde Class Directors. For three years following the completion of the business combination, the compensation committee and the nomination and governance committee will each be chaired by a Praxair Class Director appointed by a majority of the Praxair Class Directors, the audit committee will be chaired by a Linde Class Director appointed

by a majority of the Linde Class Directors and the executive committee will be chaired by the Chairman of the Linde plc board of directors.

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**Table of Contents****Interests of Directors, Board Members, and Executive Officers in the Business Combination (see page 176)**

Some of the Praxair directors, executive officers and designees to the pre-closing Linde plc board of directors and some of the Linde executive board members, supervisory board members, and designees to the pre-closing Linde plc board of directors may have interests in the business combination that are different from, or in addition to, the interests of Praxair shareholders and Linde shareholders, respectively. In the case of Praxair directors, executive officers and designees to the pre-closing Linde plc board of directors these interests include the continued service of certain directors and executive officers following the closing of the business combination, the treatment of stock options, restricted stock units and other equity-based awards, severance benefits available to certain Praxair executive officers and designees to the pre-closing Linde plc board of directors upon a qualifying termination following the business combination, treatment of cash amounts deferred or contributed pursuant to Praxair's compensation deferral programs and retirement plans, and the indemnification of Praxair directors, executive officers and designees to the pre-closing Linde plc board of directors by Linde plc. In the case of Linde supervisory board members, executive board members and designees to the pre-closing Linde plc board of directors these interests include the membership of board members on Linde plc's board of directors, the treatment of equity awards, investment shares and deferral shares, the release from the commitment for Linde supervisory board members to acquire and hold Linde shares and other adjustments to the share ownership policy for Linde supervisory board members, as well as severance benefits, compensation under the retention scheme for certain key employees and the indemnification of Linde supervisory board members and executive board members by Linde plc and of designees to the pre-closing Linde plc board of directors by Linde AG and Linde plc.

At the close of business of August 8, 2017, the record date for the Praxair special meeting, Praxair, Inc. directors and executive officers and their affiliates owned and were entitled to vote approximately 0.2% of the outstanding Praxair shares entitled to vote at the Praxair special meeting. As of August 8, 2017, Praxair directors and executive officers held unvested equity awards in the form of Praxair stock options, Praxair RSUs and Praxair PSUs, covering 1,698,582 Praxair shares in the aggregate. Based on a value of a Praxair share of \$133.88, which is equal to the average closing market price of a share of Praxair common stock over the first five business days immediately following the announcement of the business combination, and a hypothetical closing date of the business combination of August 8, 2017, and assuming vesting of the equity awards at target and a qualifying termination immediately following the effective time of the business combination, the aggregate value of accelerated vesting of such equity awards held by Praxair directors and executive officers would be \$63,934,961. Certain Praxair executive officers are party to severance compensation agreements which provide for severance benefits upon a qualifying termination following the business combination. Based on a hypothetical closing date of the business combination of August 8, 2017, and a severance-qualifying termination of each executive officer's employment immediately following the effective time of the business combination, the aggregate potential benefits that may be payable pursuant to such severance compensation agreements would be \$38,409,885. Certain Praxair executive officers participate in a compensation deferral program and/or retirement plans which provide for vesting of unvested benefits and payment of the executives benefits unless the executive has previously made a valid election to waive his or her rights to receive such payment in connection with a change in control and to instead receive such payment in the ordinary course. The aggregate value for benefits (which benefits are currently fully vested) under such arrangements for the executive officers is \$71,409,510. Certain Praxair directors participate in a fee deferral plan which provides that, if previously elected by a director, such director's deferred fees will be distributed if he or she terminates service as a director within one year following the business combination. The aggregate value of deferred fees (which fees are at all times fully vested) under such fee deferral plan that may be distributed upon a termination within one year following the business combination is \$12,833,807.

As of August 8, 2017, members of the Linde executive board and the Linde supervisory board and their affiliates owned less than 1% of the outstanding Linde shares, and members of the Linde executive board and one





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employee representative who is a member of the supervisory board held equity awards in the form of performance-vesting share option rights and matching share rights, covering 90,629 Linde shares in the aggregate. Based on the value of a Linde share of 176.48, which is equal to the average closing market price of a Linde share over the first five business days immediately following the announcement of the business combination, and a hypothetical closing date of the business combination of August 8, 2017, and further based on the assumption of full vesting of the equity awards and full target achievement of performance goals applicable to share option rights as of August 8, 2017, the value of (1) such equity awards held by members of the Linde executive board and the Linde supervisory board and their affiliates as of August 8, 2017, plus (2) Linde shares held by such persons as of such date, was approximately 31.10 million. In addition, members of the Linde executive board, other than Prof. Dr. Aldo Belloni, are party to service agreements which provide for severance benefits in case of certain qualifying terminations of employment. Based on a hypothetical closing date of the business combination of August 8, 2017 and a severance-qualifying termination of the executive board members' service agreements immediately following the effective time of the business combination, the aggregate potential severance benefits that may be payable would be approximately 10 million. Certain members of the Linde executive board and supervisory board have other interests, including membership of Linde plc's board of directors and the ability to tender investment and deferral shares, as described further in the section entitled *The Business Combination - Interests of Directors, Board Members and Executive Officers in the Business Combination - Linde AG*.

The Praxair board of directors and the Linde supervisory board and executive board were aware of and considered these interests, among other matters, in evaluating and approving the business combination and in recommending that Praxair shareholders adopt the business combination agreement and Linde shareholders tender their Linde shares in the exchange offer, respectively.

**Opinion of Financial Advisor to Praxair (see page 115)**

On May 31, 2017, Credit Suisse Securities (USA) LLC (which is herein referred to as *Credit Suisse*) rendered its oral opinion to the Praxair board of directors (which was subsequently confirmed in writing by delivery of *Credit Suisse*'s written opinion addressed to the Praxair board of directors dated the same date) as to, as of May 31, 2017, the fairness, from a financial point of view, to the holders of Praxair shares of the Praxair exchange ratio in the merger after giving effect to the exchange of Linde shares for Linde plc shares pursuant to the exchange offer, which *Credit Suisse* referred to as the *Transaction*.

**Credit Suisse's opinion was directed to the Praxair board of directors (in its capacity as such), and only addressed the fairness, from a financial point of view, to the holders of Praxair shares of the Praxair exchange ratio in the Transaction pursuant to the business combination agreement and did not address any other aspect or implication (financial or otherwise) of the business combination. The summary of Credit Suisse's opinion in this document is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex F to this document and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion. However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this document are intended to be, and they do not constitute, advice or a recommendation to any holder of Praxair shares as to how such holder should vote or act on any matter relating to the business combination.**

**Opinions of Financial Advisors to Linde AG (see page 121)***Opinion of BofA Merrill Lynch, Financial Advisor to the Linde Supervisory Board*

In connection with the business combination, Bank of America Merrill Lynch International Limited  
Zweigniederlassung Frankfurt am Main (which is herein referred to as BofA Merrill Lynch ), Linde's financial

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advisor, delivered to Linde's supervisory board a written opinion, dated June 1, 2017, as to the fairness, from a financial point of view and as of the date of the opinion, of the exchange ratio to the holders of Linde shares. The full text of the written opinion, dated June 1, 2017, of BofA Merrill Lynch, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex E to this document and is incorporated by reference herein in its entirety.

**BofA Merrill Lynch provided its opinion to Linde's supervisory board (in its capacity as such) for the benefit and use of Linde's supervisory board in connection with and for purposes of its evaluation of the exchange ratio from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the business combination and no opinion or view was expressed as to the relative merits of the business combination in comparison to other strategies or transactions that might be available to Linde or in which Linde might engage or as to the underlying business decision of Linde to proceed with or effect the business combination. BofA Merrill Lynch's opinion does not address any other aspect of the business combination and does not constitute a recommendation to any stockholder as to how to vote or act in connection with the proposed business combination or any related matter.**

***Opinion of Goldman Sachs, Financial Advisor to the Linde Supervisory Board***

Goldman Sachs AG (which is herein referred to as "Goldman Sachs") delivered its opinion to the Linde supervisory board (*Aufsichtsrat*) that, as of June 1, 2017 and based upon and subject to the factors and assumptions set forth therein, the exchange ratio of 1.540 Linde plc shares for each Linde share tendered in the exchange offer pursuant to the business combination agreement was fair from a financial point of view to the Linde shareholders (other than Praxair and its affiliates).

**The full text of the written opinion of Goldman Sachs, dated June 1, 2017, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex D to this document. Goldman Sachs provided advisory services and its opinion for the information and assistance of the Linde supervisory board in connection with its consideration of the exchange offer. The Goldman Sachs opinion is not a recommendation as to how any Linde shareholder should vote with respect to the exchange offer or any other matter. The summary of Goldman Sachs' opinion set forth in this document is qualified in its entirety by reference to the full text of such opinion. Linde shareholders are urged to read Goldman Sachs' opinion and the summary of such opinion included elsewhere in this document carefully and in their entirety.**

***Opinion of Morgan Stanley, Financial Advisor to Linde***

Linde has retained Morgan Stanley Bank AG and its affiliates (which are collectively referred to in this document as "Morgan Stanley") as financial advisor to advise the Linde executive board in connection with the proposed business combination of Linde and Praxair, including the conclusion of the business combination agreement. On June 1, 2017, Morgan Stanley delivered to the Linde executive board its written opinion dated June 1, 2017, to the effect that, as of that date and based on and subject to various assumptions made, procedures followed, matters considered and limitations on the scope of review undertaken by Morgan Stanley described in the opinion, the exchange ratio for Linde shareholders tendering into the exchange offer of 1.540 Linde plc shares for each Linde share pursuant to the business combination agreement was fair, from a financial point of view, to the Linde shareholders.

**The full text of the written opinion of Morgan Stanley, dated June 1, 2017, which sets forth the assumptions made, procedures followed, matters considered and limitations on the scope of review undertaken by Morgan Stanley in rendering its opinion, is included as Annex C to this document. Holders of Linde shares are**

**encouraged to read the opinion carefully in its entirety. The Morgan Stanley opinion was addressed to the Linde executive board for the information of the Linde executive board (in its**

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capacity as such). The Morgan Stanley opinion did not express an opinion or recommendation as to whether any holder of Linde shares should tender any Linde shares in connection with the exchange offer. The Morgan Stanley opinion also did not address the fairness of the proposed business combination, or any consideration received in connection therewith, to the holders of any class of securities, creditors or other constituencies of Linde or Praxair (other than the fairness, from a financial point of view, of the exchange ratio to the Linde shareholders), nor did it address the fairness of the contemplated benefits of the proposed business combination. None of Morgan Stanley's opinion, the summary thereof or Morgan Stanley's financial analyses set forth in this document constitutes a recommendation as to how any holder of Linde and/or Praxair shares should vote with respect to the business combination, the other aspects of the proposed business combination or any other matter. The summary of the Morgan Stanley opinion set forth in this document is qualified in its entirety by reference to the full text of the opinion included as Annex C to this document.

***Opinion of Perella Weinberg, Financial Advisor to Linde***

Linde engaged Perella Weinberg Partners UK LLP (referred to as Perella Weinberg) to act as its financial advisor with respect to the proposed business combination with Praxair. On June 1, 2017, Perella Weinberg rendered its written opinion to the Linde executive board, to the effect that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the exchange ratio of 1.540 Linde plc shares for each Linde share was fair, from a financial point of view, to the Linde shareholders.

**The full text of Perella Weinberg's written opinion, dated as of June 1, 2017, is attached as Annex B to this document. Perella Weinberg's written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Perella Weinberg in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. It should be noted that Perella Weinberg's opinion speaks as of the date rendered and not as of any subsequent date, including the date on which the business combination is completed. Although subsequent developments may affect its opinion, Perella Weinberg does not have any obligation to update, revise or reaffirm its opinion.**

**Material Transaction Fees (see page 164)**

Praxair and Linde currently estimate that they will in the aggregate incur approximately \$217 million (190 million) of auditors', banking, legal and other professional fees and costs related to the business combination, of which approximately 40% is expected to be incurred by Praxair and approximately 60% to be incurred by Linde.

**Accounting Treatment (see page 164)**

The combined group will account for the transactions as a business combination between Praxair and Linde using the acquisition method of accounting under U.S. Generally Accepted Accounting Principles (which is herein referred to as U.S. GAAP), with Praxair as the accounting acquirer and the cost of the acquisition based on the market value of Linde plc shares issued to holders of Linde shares upon completion of the business combination. Linde's consolidated assets and liabilities will be recorded at their fair values at the closing date, and Linde's results of operations will be combined with Praxair's results of operations from the closing date.

**Listing of Linde plc Shares; Delisting and Deregistration of Praxair Shares (see page 164)**

Praxair shares, which are listed on the NYSE under the symbol PX, will be delisted from the NYSE on or as soon as practicable after the completion of the business combination, as permitted by applicable law, and deregistered under the Exchange Act, and Praxair, Inc. will no longer be required to file periodic reports with the SEC.



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Prior to the time of delivery of the Linde plc shares pursuant to the exchange offer and the merger, Linde plc will apply to admit its shares to listing and trading on the NYSE (trading in U.S. dollars), subject to official notice of issuance, and will apply to admit its shares to listing and trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange and the sub-segment thereof with additional post-admission obligations (*Prime Standard*) (trading in euros).

**Certain Differences in Shareholder Rights Before and After the Business Combination (see page 462)**

Until the completion of the business combination (and in the case of Linde shareholders that do not tender their Linde shares in the exchange offer, until the completion of the post-completion reorganization), Delaware law and the Praxair, Inc. certificate of incorporation and bylaws will continue to govern the rights of Praxair shareholders, and German law and the Linde AG articles of incorporation will continue to govern the rights of Linde shareholders. After completion of the business combination (or, as applicable, the post-completion reorganization), Irish law and the Amended and Restated Linde plc Constitution (which is herein referred to as the Linde plc constitution ) will govern the rights of shareholders of Linde plc (which are herein referred to as Linde plc shareholders ).

Material differences in the rights of Praxair shareholders prior to the business combination, on the one hand, and the rights of Linde plc shareholders after the business combination, on the other hand, will include, among others, the following:

distributions, dividends, repurchases and redemptions;

dividends in shares / bonus issues;

the election and removal of directors;

the fiduciary and statutory duties of directors;

conflicts of interests of directors;

the indemnification of directors and officers and other limitations on director liability;

the convening of annual meetings of shareholders and special shareholder meetings;

notice provisions for meetings;

the quorum for shareholder meetings;



the adjournment of shareholder meetings;

the exercise of voting rights;

shareholder suits;

rights of dissenting shareholders;

anti-takeover measures; and

provisions relating to the ability to amend the constitution.

Material differences in the rights of Linde shareholders prior to the business combination, on the one hand, and the rights of Linde plc shareholders after the business combination, on the other hand, will include, among others, the following:

distributions, dividends, repurchases and redemptions;

the election and removal of directors;

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the fiduciary and statutory duties of directors;

conflicts of interest of directors;

the indemnification of directors and officers and other limitations on director liability;

the convening of annual meetings of shareholders and special shareholder meetings;

notice provisions for meetings;

the quorum for shareholder meetings;

the adjournment of shareholder meetings;

the exercise of voting rights;

shareholder suits;

rights of dissenting shareholders;

anti-takeover measures; and

provisions relating to the ability to amend the constitution.

**Material Tax Considerations (see page 494)**

Holders of Linde shares and Praxair shares should read **Material Tax Considerations** for a discussion of material tax consequences of the exchange offer to holders of Linde shares and the merger to holders of Praxair shares, as applicable. Holders of Linde shares and Praxair shares should consult their own tax advisors to determine the tax consequences to them (including the application and effect of any state, local or non-U.S. income and other tax laws) of the exchange offer and the merger, respectively.

**Summary of Risk Factors (see page 36)**

There are significant risks relating to the business combination, risks relating to each of Praxair's and Linde's businesses and Linde plc's business after the business combination, regulatory and legal risks, tax related risks, and risk related to the Linde plc shares, among others. See **Risk Factors**. You should carefully consider these risks, including, among others, the following prior to making your investment decision.

The merger and the exchange offer are subject to certain conditions.

Linde plc, Praxair and Linde must obtain governmental and regulatory approvals to consummate the business combination, which, if delayed or not granted, may delay or jeopardize the merger, the exchange offer and the business combination. In addition, conditions imposed by such agencies in connection with their approvals may adversely impact the business, financial condition or results of operations of Linde plc, Praxair and Linde, including the loss of value of assets or businesses that may be required to be divested in connection with obtaining approvals under merger control or competition laws.

The business combination may trigger mandatory takeover offers with respect to Linde's listed local subsidiaries.

Because the exchange ratios in the merger and the exchange offer are fixed, the market value of the Linde plc shares received by Praxair shareholders in the merger or by Linde shareholders in the exchange offer may be less than the market value of the Praxair or Linde shares that such holder held prior to the completion of the business combination. The prices of Praxair shares and Linde shares may be adversely affected if the business combination is not completed.

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Negative publicity related to the business combination may materially adversely affect Linde plc, Praxair and Linde.

Praxair shareholders and Linde shareholders will have a reduced ownership and voting interest after the business combination and will exercise less influence over management of the combined group.

Certain of the directors, board members and executive officers of Praxair, Inc. and Linde AG and certain of the designees to the pre-closing Linde plc board of directors may have interests in the business combination that are different from, or in addition to, those of Praxair shareholders and Linde shareholders generally.

Upon completion of the business combination, certain change of control rights under material agreements may be triggered.

Linde plc may fail to realize the anticipated strategic and financial benefits sought from the business combination.

The combined group may be unable to retain and motivate Praxair and/or Linde personnel successfully.

Risk relating to the business of Praxair, including risks relating to cost of energy and raw materials and/or disruption in the supply of these materials, the inability to effectively compete, pension benefit plans, operational risks, weakening economic conditions, and international events and circumstances, may adversely impact Praxair's and Linde plc's business, financial position or results of operations.

Risks relating to the business of Linde, including competition and pricing risk, such as risks relating to cost pressure in the healthcare sector, risks relating to the commercialization of projects, a low oil and natural gas price environment, increases in the cost of gas, raw materials and energy, supply chain or other business disruptions as well as risks relating to manufacturing and construction activities, pension scheme commitments, changes in political or social circumstances, potential labor union disputes, risks relating to Linde's strategic initiatives and risks arising from the acquisition and sale of companies, may adversely impact Linde's and Linde plc's business, financial position or results of operations.

Risks relating to the regulatory environment and legal risks including international government regulations, outcome of litigation or governmental investigations, and claims beyond Praxair's or Linde's insurance coverage limits, may adversely impact the business, financial position or results of operations of Praxair, Linde and Linde plc.

Praxair and Linde are subject to anti-corruption laws in the jurisdictions in which they operate, as well as trade compliance and economic sanctions laws and regulations. A failure to comply with these laws and regulations may subject the companies to civil and criminal penalties, harm their reputation and materially

adversely impact their respective businesses or results of operations.

Risks relating to tax matters including changes in Linde plc's tax residency (including the possibility of the IRS not agreeing with the conclusion that Linde plc should be treated as a foreign corporation for U.S. federal tax purposes) may affect taxes on dividends, trigger exit charges or otherwise subject Linde plc to tax costs to which Praxair and Linde (and their shareholders) were not previously subject; risks relating to the tax treatment of the transactions; and risks relating to other changes in tax laws could adversely impact the business, financial position or results of operations of Praxair, Linde and Linde plc and could have a negative effect on future profitability.

Risks relating to Linde plc shares including a volatile market price of Linde plc shares and rights and responsibilities of shareholders differing in certain respects from the rights and responsibilities of shareholders under Delaware law or German law.

**Table of Contents****Summary Selected Financial Information of Linde plc (see page 257)**

Linde plc (formerly known as Zamalight plc) was formed on April 18, 2017. Accordingly, the audited financial statements as of the date of this document only consist of the audited opening balance sheet and corresponding notes. The statements of income and equity information for the period ended June 30, 2017, and the balance sheet information as of June 30, 2017 are derived from Linde plc's unaudited financial statements for such period, which are included in this document beginning on page F.1-7. Linde plc did not have any cash flow related transactions in the period from April 18, 2017 to June 30, 2017, and therefore omitted the consolidated statement of cash flows. To date, Linde plc has not conducted any material activities other than those incidental to its formation and the matters contemplated by the business combination agreement.

	<b>April 18, 2017 - June 30, 2017</b>
Other expenses	\$ (462,640)
<b>Operating loss</b>	<b>(462,640)</b>
Net finance costs	-
Profit before tax	-
Income tax	-
<b>Loss for the period</b>	<b>(462,640)</b>
<b>Other comprehensive income</b>	<b>-</b>
Other comprehensive income (loss) for the period, net of tax	2,506
<b>Total comprehensive loss for the period</b>	<b>\$ (460,134)</b>
<b>Loss per share - basic and diluted</b>	<b>\$ 18.51</b>

	<b>June 30, 2017</b>	<b>Opening Balance April 18, 2017</b>
<b><u>Assets</u></b>		
<b>Current Assets</b>		
Other assets	\$ 8,541,711	-
<b>Non-current Assets</b>	-	-
<b>Total Assets</b>	<b>\$ 8,541,711</b>	<b>\$ -</b>
<b><u>Shareholder's Equity and Liabilities</u></b>		
<b>Current Liabilities</b>		
Accrued liabilities	462,640	-
Other payables	8,541,711	-
<b>Non Current Liabilities</b>		

<b>Capital and Reserves</b>		
Share capital (Common stock 1.00 par value, authorized and issued shares - 25,000 shares)	26,827	26,827
Additional paid in capital	26,827	26,827
Accumulated other comprehensive income	2,506	-
Receivables from shareholders	(56,160)	(53,654)
Retained earnings	(462,640)	-
<b>Total Shareholder s Equity</b>	<b>(462,640)</b>	<b>-</b>
<b>Equity and Liabilities</b>	<b>\$ 8,541,711</b>	<b>\$ -</b>

**Table of Contents****Summary Selected Historical Consolidated Financial Information of Praxair (see page 326)**

The following table sets forth summary selected historical consolidated financial information for Praxair as of the end of and for the periods indicated, presented in accordance with U.S. GAAP. The statements of income, cash flows and equity information for each of the years ended December 31, 2016, 2015 and 2014, and the balance sheet information as of December 31, 2016 and 2015 are derived from Praxair's audited financial statements for such years, which are included in this document beginning on page F.2-27. The statements of income and cash flows and equity information for the six month periods ended June 30, 2017 and 2016, and the balance sheet information as of June 30, 2017 are derived from Praxair's unaudited financial statements for such periods, which are included in this document beginning on page F.2-2. The balance sheet information as of December 31, 2014 is derived from Praxair's financial statements for such year, which are not included in this document. Historical operating results are not necessarily indicative of the results of operations for any future period. The information set forth below is a summary that should be read together with the consolidated financial statements of Praxair and the related notes thereto, as well as the section Management's Discussion and Analysis of Financial Condition and Results of Operations of Praxair. The following summary selected historical consolidated financial information is qualified in its entirety by reference to the corresponding historical consolidated financial statements of Praxair.

**From the Consolidated Statements of Income and Equity****Six Months Ended June 30,  
2017 (a)**

<b>\$ in million (except per share data)</b>		<b>2016 (a)</b>	<b>2016 (b)</b>	<b>2015 (b)</b>	<b>2014 (b)</b>
Sales	\$ 5,562	\$ 5,174	\$ 10,534	\$ 10,776	\$ 12,273
Cost of sales, exclusive of depreciation and amortization	3,143	2,849	5,860	5,960	6,962
Selling, general and administrative	587	582	1,145	1,152	1,308
Depreciation and amortization	579	553	1,122	1,106	1,170
Research and development	46	47	92	93	96
Cost reduction program and other charges net	21		100	172	138
Other income (expenses) net		(1)	23	28	9
Operating profit	1,186	1,142	2,238	2,321	2,608
Interest expense net	79	109	190	161	213
Income before income taxes and equity investments	1,107	1,033	2,048	2,160	2,395
Income taxes	306	279	551	612	691
Income before equity investments	801	754	1,497	1,548	1,704
Income from equity investments	23	21	41	43	42
Net income (including noncontrolling interests)	824	775	1,538	1,591	1,746
Noncontrolling interests	(29)	(20)	(38)	(44)	(52)
Net income Praxair, Inc.	\$ 795	\$ 755	\$ 1,500	\$ 1,547	\$ 1,694



<b>Per Share Data Praxair, Inc. Shareholders</b>					
Basic earnings per share	\$ 2.78	\$ 2.64	\$ 5.25	\$ 5.39	\$ 5.79
Diluted earnings per share	\$ 2.76	\$ 2.63	\$ 5.21	\$ 5.35	\$ 5.73
Cash dividends per share	\$ 1.575	\$ 1.50	\$ 3.00	\$ 2.86	\$ 2.60
<b>Weighted average shares outstanding (000 s)</b>					
Basic shares outstanding	285,799	285,566	285,677	287,005	292,494
Diluted shares outstanding	288,067	287,426	287,757	289,055	295,608

**Table of Contents****Balance Sheet and Other Information and Ratios**

<b>\$ in million</b>	<b>June 30, 2017</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
Total assets	\$ 19,965	\$ 19,332	\$ 18,319	\$ 19,769
Total debt	\$ 9,367	\$ 9,515	\$ 9,231	\$ 9,225
Number of shares outstanding (000 s)	286,024	284,901	284,879	289,262
Number of employees	26,487	26,498	26,657	27,780

<b>\$ in million</b>	<b>Six Months Ended June 30,</b>				
	<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Cash flow from operations	\$ 1,411	\$ 1,259	\$ 2,773	\$ 2,695	\$ 2,887
Net cash used for investing activities	\$ (637)	\$ (997)	\$ (1,770)	\$ (1,303)	\$ (1,803)
Net cash (used for) provided by financing activities	\$ (780)	\$ 130	\$ (643)	\$ (1,310)	\$ (1,027)
Capital expenditures	\$ 652	\$ 680	\$ 1,465	\$ 1,541	\$ 1,689
Acquisitions, net of cash acquired	\$ 2	\$ 325	\$ 363	\$ 82	\$ 206
EBITDA <sup>(c)</sup>	\$ 1,788	\$ 1,716	\$ 3,401	\$ 3,470	\$ 3,820
Adjusted EBITDA <sup>(c)</sup>	\$ 1,809	\$ 1,716	\$ 3,501	\$ 3,642	\$ 3,958

(a) Amounts for the six months ended June 30, 2017 include \$21 million (\$21 million after-tax or \$0.07 per diluted share) of transaction costs related to the potential business combination and amounts for the six months ended June 30, 2016 include \$16 million (\$10 million after-tax or \$0.04 per diluted share) for a bond redemption charge (see Note 2 to the Praxair condensed consolidated financial statements beginning on page F.2-2 of this document).

(b) Amounts for 2016 include: (i) a \$16 million charge to interest expense (\$10 million after-tax, or \$0.04 per diluted share) related to the redemption of the \$325 million 5.20% notes due 2017, (ii) a pre-tax pension settlement charge of \$4 million (\$3 million after-tax, or \$0.01 per diluted share) related to lump sum benefit payments made from the U.S. supplemental pension plan, and (iii) pre-tax charges of \$96 million (\$63 million after-tax and non-controlling interests, or \$0.22 per diluted share) primarily related to cost reduction actions.

Amounts for 2015 include: (i) a pre-tax charge of \$165 million (\$125 million after-tax, or \$0.43 per diluted share) related to the cost reduction program and other charges; and (ii) a pre-tax charge of \$7 million (\$5 million after-tax, or \$0.02 per diluted share) related to a pension settlement.

Amounts for 2014 include: (i) a pre-tax charge of \$131 million (\$131 million after-tax, or \$0.45 per diluted share) related to the Venezuela currency devaluation; (ii) a pre-tax charge of \$7 million (\$5 million after-tax, or \$0.02 per diluted share) related to pension settlements; and (iii) a pre-tax charge of \$36 million (\$22 million after-tax, or \$0.07 per diluted share) related to a bond redemption.

See Notes 2, 5, 11 and 16 to the Praxair consolidated financial statements beginning on page F.2-27 of this document.

(c) Non-GAAP performance measures. See the Non-GAAP Financial Measures section in Management's Discussion and Analysis of Financial Condition and Results of Operations of Praxair for definitions and reconciliation to

reported amounts.

**Table of Contents****Summary Selected Historical Consolidated Financial Information of Linde (see page 400)**

The following tables set forth summary selected historical consolidated financial information for Linde as of the end of and for the periods indicated, presented in accordance with International Financial Reporting Standards (which are herein referred to as IFRS) as issued by the International Accounting Standards Board (which is herein referred to as IASB). The Linde Group statements of profit or loss and cash flow information for each of the six months ended June 30, 2017 and 2016, and the statement of financial position information as of June 30, 2017 are derived from Linde's unaudited interim consolidated financial statements, which begin on page F.3-2 of this document. The Linde Group statements of profit or loss and cash flow information for each of the years ended December 31, 2016, 2015 and 2014, and the statement of financial position information as of December 31, 2016 and 2015 are derived from Linde's audited consolidated financial statements for such years, which begin on page F.3-17 of this document. The statement of financial position information as of December 31, 2014 is derived from Linde's accounting systems. Historical operating results are not necessarily indicative of the results of operations for any future period. The information set forth below is a summary that should be read together with the consolidated financial statements of Linde and the related notes thereto, as well as the section titled Management's Discussion and Analysis of Financial Condition and Results of Operations of Linde. The following summary selected historical consolidated financial information is qualified in its entirety by reference to the historical consolidated financial statements of Linde.

**Selected Statement of Profit or Loss Data**

in million (except where indicated otherwise)	Six Months				
	Ended June 30,				
	2017	2016	2016	2015	2014
Revenue	8,653	8,264	16,948	17,345	16,482
Cost of sales	5,705	5,229	10,847	11,166	10,932
<b>Gross profit</b>	<b>2,948</b>	<b>3,035</b>	<b>6,101</b>	<b>6,179</b>	<b>5,550</b>
Marketing and selling expenses	1,239	1,158	2,387	2,546	2,312
Research and development costs	53	59	121	131	106
Administration expenses	826	835	1,720	1,653	1,478
Other operating income	281	240	467	419	484
Other operating expenses	112	146	278	251	303
Share of profit or loss from associates and joint ventures (at equity)	8	8	13	12	22
<b>Net profit on operating activities continuing operations</b>	<b>1,007</b>	<b>1,085</b>	<b>2,075</b>	<b>2,029</b>	<b>1,857</b>
Financial income	23	12	29	42	50
Financial expenses	167	195	353	439	415
<b>Profit before tax continuing operations</b>	<b>863</b>	<b>902</b>	<b>1,751</b>	<b>1,632</b>	<b>1,492</b>
Income tax expense	207	222	424	396	353
<b>Profit for the period from continuing operations</b>	<b>656</b>	<b>680</b>	<b>1,327</b>	<b>1,236</b>	<b>1,139</b>
<b>Profit for the period from discontinued operations</b>	<b>13</b>	<b>7</b>	<b>(52)</b>	<b>16</b>	<b>23</b>
<b>Profit for the period</b>	<b>669</b>	<b>687</b>	<b>1,275</b>	<b>1,252</b>	<b>1,162</b>
Earnings per share in continuing operations undiluted	3.17	3.37	6.50	6.10	5.81
Earnings per share in continuing operations diluted	3.17	3.36	6.48	6.09	5.79
Earnings/(losses) per share in discontinued operations undiluted	0.07	0.03	(0.28)	0.09	0.13
Earnings/(losses) per share in discontinued operations diluted	0.07	0.04	(0.28)	0.09	0.12

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Earnings per share in	undiluted	3.24	3.40	6.22	6.19	5.94
Earnings per share in	diluted	3.24	3.40	6.20	6.18	5.91

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**Table of Contents****Other Information and Ratios**

<b>in million (except where indicated otherwise)</b>	<b>June 30, 2017</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
Total assets	34,073	35,189	35,347	34,425
Total liabilities	19,495	19,709	19,898	20,158
Total equity	14,578	15,480	15,449	14,267
Capital subscribed	475	475	475	475
Number of shares outstanding (in thousands)	185,638	185,638	185,638	185,638

		<b>Six Months Ended</b>				
		<b>June 30,</b>				
		<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Cash flow from operating activities	continuing operations	1,317	1,604	3,400	3,583	3,010
Cash flow from operating activities	discontinued operations	8	30	40	10	(9)
Cash flow from operating activities		1,325	1,634	3,440	3,593	3,001
Cash flow from investing activities	continuing operations	(856)	(1,924)	(1,472)	(1,780)	(2,059)
Cash flow from investing activities	discontinued operations	(11)	(12)	(19)	(15)	(4)
Cash flow from investing activities		(867)	(1,936)	(1,491)	(1,795)	(2,063)
Cash flow from financing activities	continuing operations	(398)	330	(1,896)	(1,523)	(1,014)
Cash flow from financing activities	discontinued operations	3	(17)	(21)	4	12
Cash flow from financing activities		(395)	313	(1,917)	(1,519)	(1,002)
Capital expenditure <sup>(1)</sup>	continuing operations (excluding investments in financial assets)	686	674	1,712	1,916	1,941
Capital expenditure <sup>(2)</sup>	continuing operations	740	856	2,004	2,036	2,036
Weighted average number of shares outstanding (in thousands)	undiluted	185,638	185,634	185,636	185,638	185,635
Weighted average number of shares outstanding (in thousands)	diluted	185,638	186,136	185,996	186,055	185,365
Dividends per share in				3.70	3.45	3.15
Segment group operating profit <sup>(3)</sup>	continuing operations	2,123	2,036	4,098	4,087	3,859
Return on capital employed in % <sup>(3)</sup>	continuing operations	8.8	8.9	8.9	8.7	8.3
Return on capital employed (before special items) in % <sup>(3)</sup>	continuing operations	9.8	9.3	9.4	9.5	9.6
Order intake (Engineering Division) <sup>(4)</sup>		1,170	718	2,257	2,494	3,206
Order backlog (Engineering Division) <sup>(5)</sup>		4,223	4,386	4,386	4,541	4,672

(1) Capital expenditure (excluding investments in financial assets) is derived from the corresponding line item within Linde's segment information not taking into account the amount of discontinued operations. The difference between capital expenditure (excluding investments in financial assets) and Payments for tangible and intangible assets and plants held under finance leases in accordance with IFRIC 4/ IAS 17 in Linde's cash flow statement mainly relates to timing differences between the dates of asset capitalization and cash payments.

(2) Capital expenditure (continuing operations) includes investments in financial assets.

(3)

Non-IFRS measure. See Management's Discussion and Analysis of Financial Condition and Results of Operations of Linde Non-IFRS Financial Measures for definitions and reconciliations to reported amounts.

- (4) Order intake (Engineering Division) is defined as the value of customer orders received during the reporting period.
- (5) Order backlog (Engineering Division) is defined as the sum of values of order intakes from previous periods plus the values of order intakes from the reporting period, less value of sales realized as well as contract changes occurring until the reporting date.

**Table of Contents****Summary Selected Unaudited Pro Forma Condensed Combined Financial Information (see page 236)**

The following tables set forth summary selected unaudited pro forma condensed combined financial information (which is herein referred to as the summary pro forma financial information), presented to illustrate the estimated effects of the proposed business combination including certain accounting adjustments, which were prepared in accordance with U.S. GAAP using the acquisition method of accounting with Praxair designated as the accounting acquirer of Linde. See The Business Combination Accounting Treatment and Unaudited Pro Forma Condensed Combined Financial Information. Pursuant to the business combination agreement, Praxair's business will be brought under Linde plc through the merger and Linde's business will be brought under Linde plc through the exchange offer. Pursuant to the exchange offer, Linde plc will offer to exchange each Linde share for 1.540 Linde plc shares. Pursuant to the merger, each Praxair share will be converted into the right to receive 1.000 Linde plc share.

The summary pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the business combination had been completed as of the beginning of the period presented, nor is it necessarily indicative of the future operating results or financial position of the combined business of Linde and Praxair. In addition, the summary pro forma financial information includes adjustments which are preliminary and may be revised. There can be no assurance that such revisions will not result in material changes to the information presented. The summary selected unaudited pro forma condensed combined balance sheet data combines the consolidated balance sheets of Praxair and Linde as of June 30, 2017 and gives effect to the proposed business combination as if it had occurred on June 30, 2017. The summary selected unaudited pro forma condensed combined statements of operations data combines the historical results of Praxair and Linde for the six months ended June 30, 2017 and the year ended December 31, 2016 and gives effect to the proposed business combination as if it had occurred on January 1, 2016. The summary pro forma financial information has been derived from and should be read in conjunction with the financial statements and the related notes of both Praxair and Linde, included herein beginning on page F.2-1 and page F.3-1, respectively, and the more detailed unaudited pro forma condensed combined financial information, including the notes thereto, beginning on page 236 of this document.

(\$ in million, except per share data)	Pro Forma Condensed Combined For the Six Months	
	Ended June 30, 2017	For the Year Ended December 31, 2016
Sales	\$ 14,615	\$ 28,682
Operating Profit	1,979	3,754
Income From Continuing Operations Before Income Taxes and Equity Investments	1,820	3,364
Income From Continuing Operations Before Equity Investments	1,353	2,499
Net Income From Continuing Operations (Including Noncontrolling Interests)	1,411	2,623
<b>Net Income From Continuing Operations</b>	<b>\$ 1,349</b>	<b>\$ 2,537</b>
<b>Per Share from Continuing Operations</b>		
Basic earnings per share	\$ 2.36	\$ 4.43
Diluted earnings per share	\$ 2.35	\$ 4.42



	<b>Pro Forma Condensed Combined As of June 30, 2017</b>
<b>(\$ in million)</b>	
Total Current Assets	\$ 12,018
Total Assets	\$ 84,402
Total Current Liabilities	\$ 12,610
Total Liabilities	\$ 39,820
Total Equity	\$ 44,572
Total Liabilities and Equity	\$ 84,402

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**Table of Contents****RISK FACTORS**

*Before deciding to vote in favor of the merger (if you are a Praxair shareholder), or to tender your shares in the exchange offer (if you are a Linde shareholder), you should carefully review and consider the following risk factors and the other information contained in this document. The occurrence of one or more of the events or circumstances described in these risk factors alone or in combination with other events or circumstances may have a material adverse effect on Praxair's and Linde's business and cash flows, financial condition and results of operations and, upon completion of the business combination, on Linde plc's business and cash flows, financial condition and results of operations. While the business combination remains subject to the satisfaction or waiver of certain conditions, and there is no assurance that the business combination will be completed, certain of the risks discussed below are presented assuming the business combination is completed and the combined group exists. The risks discussed below may not prove to be exhaustive and are based on certain assumptions made by Linde plc, Praxair and Linde, which later may prove to be incorrect or incomplete. The risks discussed below may not be the only risks to which each of Linde plc, Praxair or Linde is exposed. They should be considered in connection with evaluating the forward-looking statements in *Forward-Looking Statements* because they could cause actual results to differ materially from those expressed in any forward-looking statement. The order in which the risk factors are presented does not reflect the likelihood of their occurrence or the magnitude or significance of the individual risks. Additional risks and uncertainties of which Linde plc, Praxair and Linde are not currently aware or which Linde plc, Praxair and Linde do not consider significant at present could likewise have a material adverse effect on Linde plc's, Praxair's and Linde's business and cash flows, financial condition and results of operations. The market price of the Praxair shares, Linde shares or Linde plc shares could fall if any of these risks were to materialize, in which case the respective shareholders could lose all or part of their investment.*

**Risks Relating to the Business Combination**

*The consummation of the business combination is subject to certain conditions.*

The merger is only subject to the settlement of the exchange offer and is expected to occur immediately after settlement of the exchange offer. The exchange offer is subject to certain conditions, including the minimum acceptance condition, the Praxair requisite vote condition and the regulatory condition. The timing for settlement of the exchange offer and completion of the merger will depend on the satisfaction of such conditions. Under the terms of the exchange offer, all conditions to the exchange offer must be satisfied by the end of the acceptance period on October 24, 2017, 24:00 hours, Central European Time, except for the regulatory condition. The regulatory condition must be satisfied within twelve months following the end of the acceptance period, *i.e.*, by October 24, 2018. If the regulatory condition is not satisfied by that date (or validly waived at least one working day prior to the end of the acceptance period), the exchange offer will terminate and settlement will not occur. As a result, the exchange of Linde shares pursuant to the exchange offer and the conversion of Praxair shares pursuant to the merger may take place on a date that is significantly later than the end of the acceptance period, or may not occur. Withdrawal rights will cease at the end of the acceptance period. Furthermore, pursuant to the business combination agreement, Praxair, Inc. or Linde AG may terminate the business combination agreement or the covenants therein under certain circumstances, including, among others, the occurrence of a material adverse change (as defined in the business combination agreement), affecting the other party, or certain changes in the recommendation of the Praxair board of directors, on the one hand, or the Linde executive or supervisory board, on the other hand. No assurance can be given that all of the conditions to the exchange offer will be satisfied or, if they are, as to the timing of the settlement of the exchange offer. If the conditions to the exchange offer are not satisfied or validly waived in advance, or if termination rights are exercised, the exchange offer will terminate, settlement of the exchange offer will not occur, and the merger will not be completed.



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***Linde plc, Praxair and Linde must obtain governmental and regulatory approvals to consummate the business combination, which, if delayed or not granted, may delay or jeopardize the merger, the exchange offer and the business combination. In addition, conditions imposed by such agencies in connection with their approvals may adversely impact the business, financial condition or results of operations of Linde plc, Praxair and Linde, including the loss of value of assets or businesses that may be required to be divested in connection with obtaining approvals under merger control or competition laws.***

Completion of the business combination is conditioned upon, among other things, either receipt of approval from the relevant antitrust authority or expiration or termination of any statutory waiting period (including any extension thereof) under merger control or competition law regimes in any jurisdictions where the parties to the business combination agreement have mutually determined merger control or competition law filings and/or notices to be necessary. The governmental and regulatory agencies from which Linde plc, Praxair and Linde will seek these approvals have broad discretion in administering the applicable governing regulations. As a condition to their approval of the transactions contemplated by the business combination agreement, those agencies may impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of Linde plc's, Praxair's and Linde's respective businesses. Pursuant to the business combination agreement, Praxair and Linde will use their reasonable best efforts and have further agreed to take all such further action as may be necessary to resolve such objections, subject to the limitations set forth in the business combination agreement. No assurance can be given that the required approvals will be obtained or that the required conditions to the exchange offer will be satisfied, and, if all required approvals are obtained and the conditions to the exchange offer are satisfied, no assurance can be given as to the terms, conditions and timing of the approvals. If the regulatory condition is not satisfied within twelve months following the end of the acceptance period, *i.e.*, by October 24, 2018 (or validly waived at least one working day prior to the end of the acceptance period), the exchange offer will terminate, settlement of the offer will not occur, and the merger will not be completed. Any delay in the completion of the business combination for regulatory reasons could diminish the anticipated benefits of the business combination or result in additional transaction costs.

Conditions imposed by regulatory agencies in connection with their approval of the business combination may require changes to the operations of Linde plc, Praxair and/or Linde, restrict their ability to operate in certain jurisdictions following the business combination, restrict the combination of Praxair's and Linde's operations in certain jurisdictions or require other commitments regarding ongoing operations. Such conditions may also restrict Linde plc's, Praxair's and/or Linde's ability to modify the operations of their businesses in response to changing circumstances for a period of time after completion of the merger and the exchange offer or their ability to expend cash for other uses or otherwise have an adverse effect on the anticipated benefits of the business combination, thereby adversely impacting the business, financial condition or results of operations of Linde plc, Praxair and Linde. Such conditions may also impose requirements that Praxair and/or Linde divest certain assets in order to obtain certain regulatory approvals, which may result in loss of value due to the loss of those assets or businesses or a sale of those assets or businesses at less than the desired price or under otherwise unfavorable conditions, in particular as a result of timing constraints and the limited universe of buyers acceptable to the regulatory authorities, especially in challenging market conditions. Any such actions could have a material adverse effect on the business, results of operations, financial condition and prospects of Linde plc and reduce substantially or eliminate the synergies and cost reductions and the advantages which Praxair and Linde expect to achieve from the business combination.

***The business combination may trigger mandatory takeover offers with respect to Linde's listed local subsidiaries.***

The completion of the business combination will result in Linde plc acquiring indirect control in Linde's subsidiaries listed on local stock exchanges. Should relevant conditions under local laws of individual jurisdictions be met and if an exemption is not available or granted under the respective regulations, the business combination may trigger the obligation to make a public offer with respect to the outstanding shares in certain of Linde's subsidiaries that are

publicly listed. To the extent that Linde plc is unable to obtain any applicable

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exemption, potentially costly and complex takeover procedures may have to be conducted. In addition, the granting of any applicable exemption may depend on the discretion of the competent authority and may also depend on the competent authority's interpretation of the applicable laws and regulations, including the need for any applicable application for any such exemption. No assurance can be provided that the respective competent authorities will grant the requested exemptions or will confirm that no mandatory takeover offers with respect to any such listed subsidiaries will be required as a result of the transaction, even if such authority may have granted exemptions for similar transactions in the past. Accordingly, the business combination is expected to require such a mandatory takeover offer in India, subject to and following completion of the business combination, and may require such mandatory takeover offers in other jurisdictions, which would result in additional transaction costs and complexity.

***Because the exchange ratios in the merger and the exchange offer are fixed, the market value of the Linde plc shares received by Praxair shareholders in the merger or by Linde shareholders in the exchange offer may be less than the market value of the Praxair or Linde shares that such holder held prior to the completion of the business combination.***

Praxair shareholders will receive one Linde plc share for each of their Praxair shares in the merger and Linde shareholders who tender their Linde shares in the exchange offer will receive 1.540 Linde plc shares for each Linde share tendered and not withdrawn. These exchange ratios are fixed and will not vary even if the market price of Praxair shares or Linde shares varies. Upon completion of the business combination, and assuming that all outstanding Linde shares are exchanged in the exchange offer, former Praxair and Linde shareholders will each own approximately 50% of the outstanding Linde plc shares on a fully diluted basis, i.e., taking into consideration shares still to be issued, immediately after completion of the business combination. The market value of Praxair shares and Linde shares at the time of the completion of the business combination may vary significantly from the value on the date of the execution of the business combination agreement, the date of this document, the date on which Praxair shareholders vote on the merger, the date on which Linde shareholders tender their shares in the exchange offer or the expiration of the acceptance period. Because the exchange ratios will not be adjusted to reflect any changes in the market price of the Praxair shares or Linde shares, the value of the consideration paid to the Praxair shareholders in the merger or to the Linde shareholders who tender their shares in the exchange offer may be lower than the market value of their Praxair or Linde shares, respectively, on earlier dates.

Changes in share prices may result from a variety of factors that are beyond the control of Linde plc, Praxair and Linde, including their respective business, operations and prospects, market conditions, economic development, geopolitical events, regulatory considerations, governmental actions, legal proceedings and other developments. Market assessments of the benefits of the business combination and of the likelihood that the business combination will be completed, as well as general and industry-specific market and economic conditions, may also have an adverse effect on share prices.

In addition, it is possible that the business combination may not be completed until a significant period of time has passed after the Praxair special meeting and the expiration of the acceptance period. As a result, the market values of the Praxair shares and Linde shares may vary significantly from the date of the Praxair special meeting or the expiration of the acceptance period to the date of the completion of the business combination.

Investors are urged to obtain up-to-date prices for Praxair shares, which are listed on the New York Stock Exchange under the symbol "PX" and Linde shares, which are listed on the Frankfurt Stock Exchange under the symbol "LIN".

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***If, following completion of the business combination, Linde shares remain outstanding, the liquidity and market value of those shares could decline significantly, and the Linde shares could be removed from certain stock indices. In addition, the liquidity of Linde shares could be negatively affected in case of a segment change, downlisting or delisting.***

If the business combination is completed but not all outstanding Linde shares, or a sufficient number of Linde shares to effect a mandatory squeeze-out, have been tendered in the exchange offer, the free float in Linde shares will be significantly lower than the current free float in Linde shares, which may adversely affect the liquidity of the remaining Linde shares. Reduced liquidity could make it more difficult for the remaining Linde shareholders to sell their Linde shares and could adversely affect the price of those remaining shares. In addition, reduced liquidity could result in increased volatility and the price for Linde shares may vary significantly in the future.

The Linde shares are included in the German DAX 30 stock index, among other indices. A significant reduction in free float as a result of the exchange of Linde shares pursuant to the exchange offer or otherwise may result in the Linde shares being removed from the DAX 30 or other stock indices. Consequently, index funds and other investors who seek to mirror indices such as the DAX 30 stock index may sell or reduce their holdings of Linde shares. This could result in reduced liquidity and an oversupply of Linde shares, which may adversely affect and cause significant variations in the price of those remaining shares.

During the acceptance period and thereafter until satisfaction of or failure to satisfy the regulatory condition, the Linde shares tendered into the exchange offer shall be included in the stock market trading on the regulated market of the Frankfurt Stock Exchange and its sub-segment with additional post-admission obligations (*Prime Standard*) under a new and separate ISIN. During the acceptance period or thereafter any relevant body competent for the composition of a stock index, such as Deutsche Börse AG, may decide to replace the Linde shares not tendered in the DAX 30 or any other stock index with the tendered Linde shares; it may also reverse any such decision at any time. Consequently, index funds and other investors who seek to mirror indices such as the DAX 30 stock index may sell or reduce their holdings of Linde (tendered or non-tendered) shares.

Moreover, the liquidity of Linde shares could be negatively affected if, following settlement of the exchange offer, Linde plc were to agree with Linde AG to effect (i) a downlisting, *i.e.*, a removal of the Linde shares from the regulated market of the Frankfurt Stock Exchange and other German stock exchanges with the effect that Linde shares could be traded only on the open market (*Freiverkehr*) of the Frankfurt Stock Exchange or any comparable open market or segment thereof of another German stock exchange or (ii) a delisting, *i.e.*, a removal from the Frankfurt Stock Exchange and all other German stock exchanges on which Linde shares are listed on regulated market segments. In the event of a segment change (*i.e.*, removal of the Linde shares from the sub-segment of the regulated market of the Frankfurt Stock Exchange with additional post-admission obligations (*Prime Standard*) while maintaining the listing on the regulated market (*General Standard*), or of a downlisting or delisting), Linde AG's reporting obligations would be reduced or cancelled completely, depending on the circumstances. Because a downlisting or a delisting would negatively affect the liquidity of Linde shares, Linde shareholders may be unable to realize the value represented in Linde shares they hold, or may only be able to do so with significant limitations and/or at a significant loss, following such an event.

***The prices of Praxair shares and Linde shares may be adversely affected if the business combination is not completed.***

If the business combination is not completed, the prices of Praxair shares and Linde shares may decline for various reasons, including to the extent that the current market prices of Praxair shares and Linde shares reflect a market premium based on the assumption that the business combination will be completed.





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***Following completion of the business combination, Linde plc (directly or through Linde Holding GmbH) intends to enter into a domination and/or a profit and loss transfer agreement with Linde AG, which could be disadvantageous to Linde, Linde plc or Linde shareholders.***

Following completion of the business combination, Linde plc expects to hold at least 75% of the shares represented at the shareholder meeting of Linde AG, which will enable Linde plc (directly or through Linde Holding GmbH and Linde Intermediate Holding AG) to initiate the conclusion of a domination agreement and/or a profit and loss transfer agreement with Linde AG. Such agreement would allow Linde plc to issue binding instructions to the executive board of Linde AG, which could be disadvantageous to Linde AG and result in a decline in the business and earnings power of Linde. This could have a material adverse effect on the assets, financial position and income of Linde and could also materially adversely affect the market value of the remaining Linde shares.

Pursuant to Sections 302 *et seq.* of the German Stock Corporation Act, under a domination agreement and/or profit and loss transfer agreement, Linde plc or Linde Intermediate Holding AG, respectively, would be obligated to compensate any annual net loss of Linde AG. Further, each Linde shareholder who did not tender in the exchange offer will be offered to elect either (1) to remain a Linde shareholder and receive, in the case of a domination agreement, an adequate fixed or variable annual guaranteed dividend (*Garantiedividende*) or, in the case of a profit and loss transfer agreement, receive annual recurring compensation (*Ausgleich*) pursuant to Section 304 of the German Stock Corporation Act, or (2) to receive adequate exit compensation in exchange for its Linde shares pursuant to Section 305(2) of the German Stock Corporation Act. Shareholders electing the first option may later elect the second option for as long as the offer for the exit compensation is open. Linde plc's obligation to pay an adequate fixed or variable annual guaranteed dividend or annual recurring compensation will lead to a continuing payment obligation for Linde plc which could be higher than dividends to be otherwise distributed to minority shareholders. In addition, Linde plc's obligation to pay an exit compensation will, to the extent paid in Linde plc shares, dilute the shareholdings of Linde plc shareholders, the extent of which could be disproportionate to the implied value Praxair and Linde shareholders received in the business combination.

***If Linde shareholders do not tender their Linde shares in the exchange offer, Linde shareholders may receive consideration in a post-completion reorganization that is substantially different in form and/or value from the consideration that they would have received in the exchange offer.***

Linde plc intends to pursue a post-completion reorganization with respect to Linde after completion of the merger and the exchange offer if the relevant ownership threshold for such a post-completion reorganization has been reached as a result of or following the exchange offer. A post-completion reorganization could eliminate any minority shareholder interests in Linde AG remaining after the settlement of the exchange offer or allow Linde plc to control Linde AG to the greatest extent permissible despite any remaining minority shareholder interests. If the business combination is consummated and Linde plc (directly or through Linde Holding GmbH or Linde Intermediate Holding AG) holds at least 75% of the shares represented in the shareholder meeting of Linde AG, Linde plc intends to enter (directly or through Linde Holding GmbH) into a domination agreement and/or a profit and loss transfer agreement with Linde AG. If Linde plc directly or indirectly holds at least 95% of the shares in Linde AG, Linde plc could initiate a squeeze-out of the minority shareholders of Linde AG and subsequently convert Linde AG into a limited liability company (*Gesellschaft mit beschränkter Haftung GmbH*). If Linde plc directly or indirectly holds at least 90% of the shares in Linde AG, a squeeze-out would be possible in connection with a merger of Linde AG into Linde Intermediate Holding AG. The type of such post-completion reorganization transaction will depend on the percentage of Linde shares acquired in the exchange offer and, to the extent legally permissible, in the open market or otherwise.

Due to the statutory legal framework applicable to such post-completion reorganization transactions, holders of Linde shares who do not exchange their shares in the exchange offer may receive a different (including a lower) amount or a

different form of consideration than they would have received had they exchanged their Linde shares in the exchange offer. Furthermore, if the value of Linde plc shares offered as compensation in the

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context of a domination agreement and/or profit and loss transfer agreement pursuant to Section 305(2) of the German Stock Corporation Act has declined after the completion of the business combination, there may be no obligation of Linde plc or Linde Intermediate Holding AG to pay Linde shareholders who did not exchange their shares in the exchange offer the implied value of the offer consideration received by Linde shareholders who exchanged their shares in the exchange offer.

***The announcement and pendency of the business combination, during which Praxair and Linde are subject to certain operating restrictions, could have an adverse effect on Linde plc's, Praxair's and Linde's businesses and cash flows, financial condition and results of operations.***

The announcement and pendency of the business combination could disrupt Praxair's and Linde's businesses, and uncertainty about the effect of the business combination may have an adverse effect on Linde plc, Praxair and Linde. These uncertainties could cause suppliers, vendors, partners, customers and others that deal with Praxair and Linde to defer entering into contracts with, or making other decisions concerning Praxair and Linde or to seek to change or cancel existing business relationships with the companies. In addition, Praxair's and Linde's employees may experience uncertainty regarding their roles after the business combination. Employees may depart either before or after the completion of the business combination because of uncertainty and issues relating to the difficulty of coordination or because of a desire not to remain following the business combination. Therefore, the pendency of the business combination may adversely affect Linde plc's, Praxair's and Linde's ability to retain, recruit and motivate key personnel. Additionally, the attention of Praxair's and Linde's management may be directed towards the completion of the business combination, including obtaining regulatory approvals, and may be diverted from the day-to-day business operations of Praxair and Linde. Matters related to the business combination may require commitments of time and resources that could otherwise have been devoted to other opportunities that might have been beneficial to Praxair and Linde. Additionally, the business combination agreement requires Praxair and Linde to refrain from taking certain specified actions, for example significant investments or disposals, while the business combination is pending. These restrictions may prevent Praxair and Linde from pursuing otherwise attractive business opportunities or capital structure alternatives and from executing certain business strategies prior to the completion of the business combination. Further, the business combination may give rise to potential liabilities, including those that may result from pending and future shareholder lawsuits relating to the business combination or a potential post-completion reorganization. Any of these matters could adversely affect the businesses of, or harm the results of operations, financial condition or cash flows of Linde plc, Praxair and Linde.

Further, certain adverse changes in the business of Linde or Praxair in the period prior to the closing of the business combination may occur that would not result in Praxair, Linde or Linde plc having the right to terminate the business combination agreement or the exchange offer. If adverse changes occur but Praxair and Linde are still required to complete the business combination, the market value of Praxair shares, Linde shares or Linde plc shares may decrease. If the business combination is not completed, these risks may still materialize and materially adversely affect the business and financial results of Praxair and/or Linde.

***Negative publicity related to the business combination may materially adversely affect Linde plc, Praxair and Linde.***

From time to time, political and public sentiment in connection with a proposed business combination may result in a significant amount of adverse press coverage and other adverse public statements affecting the parties to the business combination. Adverse press coverage and public statements, whether or not driven by political or popular sentiment, may also result in legal claims or in investigations by regulators, legislators and law enforcement officials. Responding to these investigations and lawsuits, regardless of the ultimate outcome of the proceedings, can divert the time and effort of senior management from operating their businesses. Addressing any adverse publicity,

governmental scrutiny or enforcement or other legal proceedings could be time-consuming and expensive and, regardless of the factual basis for the assertions being made, could have a negative impact on the reputation of Linde plc, Praxair and Linde, on the morale and performance of their employees and on their

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relationships with regulators, suppliers and customers. It may also have a negative impact on their ability to take timely advantage of various business and market opportunities. The direct and indirect effects of negative publicity, and the demands of responding to and addressing it, may have a material adverse effect on Linde plc's, Praxair's and Linde's respective business and cash flows, financial condition and results of operations.

***Certain of the directors, board members and executive officers of Praxair, Inc. and Linde AG and certain of the designees to the pre-closing Linde plc board of directors may have interests in the business combination that are different from, or in addition to, those of Praxair shareholders and Linde shareholders generally.***

Certain of the Praxair, Inc. directors, executive officers and designees to the pre-closing Linde plc board of directors and certain of the Linde supervisory board members, executive board members and designees to the pre-closing Linde plc board of directors may have interests in the business combination that are different from, or in addition to, the interests of Praxair shareholders and Linde shareholders, respectively. In the case of Praxair directors, executive officers and designees to the pre-closing Linde plc board of directors these interests include the continued service of certain directors and executive officers following the closing of the business combination, the treatment of stock options, restricted stock units and other equity-based awards, severance benefits available to certain Praxair executive officers and designees to the pre-closing Linde plc board of directors upon a qualifying termination following the business combination, treatment of cash amounts deferred or contributed pursuant to Praxair's compensation deferral programs and retirement plans, and the indemnification of Praxair directors, executive officers and designees to the pre-closing Linde plc board of directors by Linde plc. In the case of Linde supervisory board members, executive board members and designees to the pre-closing Linde plc board of directors these interests include (i) the future membership of certain board members on Linde plc's board of directors, (ii) the treatment of performance based stock option rights and matching share rights, investment shares and deferral shares, (iii) the release from the commitment for Linde supervisory board members to acquire and hold Linde shares and other adjustments to the share ownership policy for Linde supervisory board members, (iv) severance benefits, (v) compensation under the retention scheme for certain key employees and (vi) the indemnification of Linde supervisory board members and executive board members by Linde plc and of designees to the pre-closing Linde plc board of directors by Linde AG and Linde plc.

At the close of business of August 8, 2017, the record date for the Praxair special meeting, Praxair, Inc. directors and executive officers and their affiliates owned and were entitled to vote approximately 0.2% of the outstanding Praxair shares entitled to vote at the Praxair special meeting. As of August 8, 2017, Praxair directors and executive officers held unvested equity awards in the form of Praxair stock options, Praxair RSUs and Praxair PSUs, covering 1,698,582 Praxair shares in the aggregate. Based on a value of a Praxair share of \$133.88, which is equal to the average closing market price of a share of Praxair common stock over the first five business days immediately following the announcement of the business combination, and a hypothetical closing date of the business combination of August 8, 2017, and assuming vesting of the equity awards at target and a qualifying termination immediately following the effective time of the business combination, the aggregate value of accelerated vesting of such equity awards held by Praxair directors and executive officers would be \$63,934,961. Certain Praxair executive officers are party to severance compensation agreements which provide for severance benefits upon a qualifying termination following the business combination. Based on a hypothetical closing date of the business combination of August 8, 2017, and a severance-qualifying termination of each executive officer's employment immediately following the effective time of the business combination, the aggregate potential benefits that may be payable pursuant to such severance compensation agreements would be \$38,409,885. Certain Praxair executive officers participate in a compensation deferral program and/or retirement plans which provide for vesting of unvested benefits and payment of the executives benefits unless the executive has previously made a valid election to waive his or her rights to receive such payment in connection with a change in control and to instead receive such payment in the ordinary course. The aggregate value for benefits (which benefits are currently fully vested) under such arrangements for the executive officers is \$71,409,510. Certain Praxair directors participate in a fee deferral plan which provides that, if previously elected by a

director, such director's deferred fees will be distributed if he or she terminates service as a director within one year following the business combination. The aggregate value of deferred fees (which fees are at all times

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fully vested) under such fee deferral plan that may be distributed upon a termination within one year following the business combination is \$12,833,807. Certain Praxair directors and executive officers have other interests, including continued service following the closing of the business combination and indemnification, as described further in the section entitled "The Business Combination - Interests of Directors, Board Members and Executive Officers in the Business Combination - Praxair, Inc."

As of August 8, 2017, members of the Linde executive board and the Linde supervisory board and their affiliates owned less than 1% of the outstanding Linde shares, and members of the Linde executive board and one employee representative who is a member of the supervisory board held equity awards in the form of performance-vesting share option rights and matching share rights, covering 90,629 Linde shares in the aggregate. Based on the value of a Linde share of 176.48, which is equal to the average closing market price of a Linde share over the first five business days immediately following the announcement of the business combination, and a hypothetical closing date of the business combination of August 8, 2017, and further based on the assumption of full vesting of the equity awards and full target achievement of performance goals applicable to share option rights as of August 8, 2017, the value of (1) such equity awards held by members of the Linde executive board and the Linde supervisory board and their affiliates as of August 8, 2017, plus (2) Linde shares held by such persons as of such date, was approximately 31.10 million. In addition, members of the Linde executive board, other than Prof. Dr. Aldo Belloni, are party to service agreements which provide for severance benefits in case of certain qualifying terminations of employment. Based on a hypothetical closing date of the business combination of August 8, 2017 and a severance-qualifying termination of the executive board members' service agreements immediately following the effective time of the business combination, the aggregate potential severance benefits that may be payable would be approximately 10 million. Certain members of the Linde executive board and supervisory board have other interests, including membership of Linde plc's board of directors and the ability to tender investment and deferral shares, as described further in the section entitled "The Business Combination - Interests of Directors, Board Members and Executive Officers in the Business Combination - Linde AG."

The Praxair board of directors and the Linde supervisory board and executive board were aware of these interests and considered them, among other matters, in evaluating and approving the business combination and in recommending that Praxair shareholders adopt the business combination agreement and Linde shareholders tender their Linde shares in the exchange offer, respectively.

***Upon completion of the business combination, certain change-of-control rights under material agreements may be triggered.***

Praxair and Linde are parties to agreements that contain change-of-control provisions that may be triggered upon completion of the business combination. Upon the triggering of these change-of-control provisions, the counterparties to the agreement may be able to exercise certain rights that have a negative effect on Praxair, Linde or, after the business combination, Linde plc. For example, the terms of Linde's approximately 8.5 billion notes outstanding include change of control clauses triggered by a change of control of Linde AG and a resulting below investment grade ratings downgrade of Linde AG's corporate and debt ratings. In addition, Linde's 2.5 billion undrawn syndicated credit facility and Praxair's \$2.5 billion credit facility each include a change of control clause relating to a change of control of Linde AG and Praxair, Inc., respectively. If parties to agreements with change-of-control provisions exercise such rights, contracts that are beneficial to Linde or Praxair may be terminated which may have an adverse effect on the business, the cash flows and the financial condition and results of operations of Linde plc, Praxair and Linde.

***Praxair and Linde will incur significant transaction fees and costs in connection with the business combination.***

Praxair and Linde expect to incur a number of significant non-recurring implementation and restructuring costs associated with combining the operations of the two companies. In addition, Praxair and Linde will incur significant banking, legal, accounting and other transaction fees and costs related to the business combination.



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Additional costs substantially in excess of currently anticipated costs may also be incurred in connection with the integration of the businesses of Praxair and Linde. Praxair and Linde currently estimate that an aggregate of approximately \$217 million ( 190 million) of auditors , banking, legal and other professional fees and costs related to the business combination will be incurred, of which approximately 40% is expected to be incurred by Praxair and approximately 60% to be incurred by Linde.

Any cost savings or other efficiencies related to the integration of the businesses that could offset these transaction- and combination-related costs over time may not be achieved in the near term, or at all. In addition, the timeline in which cost savings are expected to be realized is lengthy and may not be achieved. Failure to realize these synergies and cost reductions and other efficiencies in a timely manner or at all could have a material adverse effect on Linde plc s, Praxair s and Linde s respective businesses and cash flows, financial condition and results of operations.

***Linde plc has no operating or financial history and the unaudited pro forma condensed combined financial information contained in this document is presented for illustrative purposes only and may not be an indication of Linde plc s results of operations or financial condition following the completion of the business combination. The actual results of operations and financial condition of Linde plc following the completion of the business combination may be substantially different.***

Linde plc has been recently incorporated and has no operating history and no revenues and the unaudited pro forma condensed combined financial information contained in this document is presented for illustrative purposes only and should not be considered to be an indication of Linde plc s results of operations or financial condition following the completion of the business combination. The unaudited pro forma condensed combined financial information has been derived from the historical financial statements of Praxair and Linde and adjustments, assumptions and preliminary estimates have been made in connection with the preparation of this information. These adjustments, assumptions and estimates are preliminary and based on information available at the time of the preparation of this document and are subject to change. As a result, the actual results of operations and financial condition of Linde plc following the completion of the business combination may not be consistent with, or evident from, this pro forma financial information, and any differences may be material. For example, the unaudited pro forma condensed combined financial information contained in this document assumes that no divestitures will be required in order to obtain necessary regulatory approval in all relevant jurisdictions. However, significant divestitures may be required to obtain the necessary regulatory approvals.

***The unaudited forward-looking financial information considered by Praxair, Linde and their financial advisors reflect Praxair management and Linde management estimates and actual results may be significantly higher or lower than estimated.***

In connection with the assessment of the merger by Praxair and Linde, Praxair and Linde prepared certain unaudited forward-looking financial information. The unaudited forward-looking financial information considered by Praxair, Linde and their financial advisors, including the unaudited forward-looking information included in this document, are based on numerous variables and assumptions that are inherently uncertain, many of which are beyond the control of Praxair and Linde. These variables and assumptions are based on available information at the time of preparation and include industry performance, competition, general business, economic, regulatory, market and financial conditions, as well as estimates regarding the business, financial condition and results of operations of Praxair and Linde. Such factors and other changes may cause the unaudited forward-looking financial information or the underlying assumptions to be inaccurate. Since the unaudited forward-looking financial information covers multiple years, such information by its nature becomes less predictable with each successive year. As a result of these contingencies, there can be no assurance that actual results will not be significantly higher or lower than estimated, which could have a material impact on the market price of Linde plc shares. The unaudited forward-looking financial information does not

take into account any circumstances or events occurring after the date it was prepared and does not give effect to the business combination nor is it indicative for future results of the combined group.

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The unaudited forward-looking financial information was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of forward-looking financial information, U.S. GAAP or IFRS. Neither the independent accountants of Praxair, Linde, Linde plc, nor any other independent accountants have audited, reviewed, compiled or performed any procedures with respect to the unaudited forward-looking financial information for the purpose of its inclusion herein, and accordingly, no such accountants have expressed any opinion or provided any form of assurance with respect thereto for the purpose of this document.

## **Risks Relating to the Business of Linde plc After Completion of the Business Combination**

Due to the size and geographic reach of Linde plc's operations following the completion of the business combination, a wide range of factors could materially affect its operations and financial performance. Linde plc believes that, in addition to the risks described herein, the risks relating to Praxair's and Linde's businesses described in the sections

Risks Relating to the Business of Praxair and Risks Relating to the Business of Linde, which you are urged to read, may significantly impact Linde plc's business after the completion of the business combination.

***Linde plc may fail to realize the anticipated strategic and financial benefits sought from the business combination.***

Linde plc may not realize all of the anticipated benefits of the business combination. The success of the business combination will depend on, among other things, Linde plc's ability to combine Praxair's business with Linde's business in a manner that facilitates growth and realizes anticipated cost savings.

However, Linde plc must successfully combine the businesses of Praxair and Linde in a manner that permits these anticipated benefits to be realized. In addition, Linde plc must achieve the anticipated growth and cost savings without adversely affecting current revenues and investments in future growth.

In addition, the actual integration of Praxair and Linde will involve complex operational, technological and personnel-related challenges. This process will be time-consuming and expensive, and it may be disruptive to the combined businesses. Linde plc may not realize all of the anticipated benefits of the business combination. Difficulties in the integration of the businesses, which may result in significant costs and delays, include:

managing a significantly larger combined group;

aligning and executing the strategy of the combined group;

integrating and unifying the offerings and services available to customers and coordinating distribution and marketing efforts in geographically separate organizations;

coordinating corporate and administrative infrastructures and aligning insurance coverage;

coordinating accounting, information technology, communications, administration and other systems;

addressing possible differences in corporate cultures and management philosophies;

the combined group becoming subject to Irish laws and regulations and legal action in Ireland;

coordinating the compliance program and creating uniform standards, controls, procedures and policies;

the implementation, ultimate impact and outcome of potential post-completion reorganization transactions, which may be delayed or not take effect as a result of litigation or otherwise;

unforeseen and unexpected liabilities related to the business combination or Linde plc's business;

managing tax costs or inefficiencies associated with integrating the operations of the combined group;

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identifying and eliminating redundant and underperforming functions and assets;

effecting actions that may be required in connection with obtaining regulatory approvals; and

a deterioration of credit ratings.

These and other factors could result in increased costs and diversion of management's time and energy, as well as decreases in the amount of expected revenue and earnings, which could materially impact Linde plc's business, financial condition and results of operations. The integration process and other disruptions resulting from the business combination may also adversely affect Linde plc's relationships with employees, suppliers, customers, distributors, licensors and others with whom Praxair and Linde have business or other dealings, and difficulties in integrating the businesses of Praxair and Linde could harm the reputation of the combined group.

If the combined group is not able to successfully combine the businesses of Praxair and Linde in an efficient, cost-effective and timely manner, the anticipated benefits and cost savings of the business combination may not be realized fully, or at all, or may take longer to realize than expected.

***Following the completion of the business combination, Linde AG will be majority owned by Linde plc. While Linde plc intends to enter (directly or through Linde Holding GmbH) into a domination agreement with Linde AG, if the effectiveness of such agreement is delayed as a result of litigation or otherwise or does not occur, this may have an adverse effect on the ability to realize synergies and cost reductions and the market value of Linde plc shares.***

Following the completion of the business combination, Linde AG will be indirectly majority-owned by Linde plc and, thus, become a dependent company of Linde plc within the meaning of Section 17 of the German Stock Corporation Act. The legal framework for this dependency between Linde plc and Linde AG is, subject to other applicable law, set forth in Sections 311 *et seq.* of the German Stock Corporation Act, which may prevent or impede the realization of synergies and cost reductions absent a domination agreement. If Linde plc (through Linde Intermediate Holding AG or otherwise) holds at least 75% of Linde AG's outstanding shares after completion of the business combination, which it will if the minimum acceptance condition (as defined herein) is satisfied, Linde plc (directly or through Linde Intermediate Holding AG or otherwise) will hold the requisite voting rights to approve a domination agreement at a meeting of Linde shareholders. However, if Linde plc does not hold 75% of Linde AG's outstanding shares after the completion of the business combination or such approval is contested or the effectiveness of such agreement is delayed as a result of litigation or otherwise or does not occur, Linde plc may be unable to initiate any transactions or measures that are disadvantageous to Linde AG, unless Linde plc provides adequate compensation to Linde AG. If the disadvantage caused by any transaction or other measure cannot be assessed or compensated, Linde plc will be unable to initiate such transaction or measure, which may preclude Linde plc from implementing certain transactions related to the integration of Linde into the combined group, including realizing synergies. The failure to realize synergies may lead to a decline of the value of Linde plc shares. At the same time, any disadvantageous corporate actions under a domination agreement may result in a decline in the business and earnings power of Linde, which may have a material adverse effect on the assets, financial position and income of Linde and could also materially adversely affect the market value of the remaining Linde shares.

***A combined Praxair and Linde may experience a loss of customers or may fail to win new customers in certain countries.***

Following the business combination, third parties with whom Praxair or Linde had relationships prior to the announcement of the business combination may terminate or otherwise reduce the scope of their relationship with

either party in anticipation or after the completion of the business combination. In addition, the combined group may face difficulties to acquire new customers in certain countries. Any such loss of business or the inability to win new customers could limit the combined group's ability to achieve the anticipated benefits of the business combination. Such risks could also be exacerbated by a delay in the settlement of the exchange offer and the business combination.

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*The combined group may be unable to retain and motivate Praxair and/or Linde personnel successfully.*

The success of the business combination will depend, in part, on the combined group's ability to retain the talents and dedication of key employees, including key decision-makers, currently employed by Praxair and Linde. Such employees may decide not to remain with Praxair and Linde, as applicable, while the business combination is pending or with the combined group after the business combination is completed. If key employees terminate their employment, or if an insufficient number of employees are retained to maintain effective operations, the combined group's business activities may be adversely affected and management's attention may be diverted from successfully integrating Praxair and Linde to hiring suitable replacements, all of which may cause Linde plc's business to deteriorate. Praxair and Linde may not be able to locate suitable replacements for any key employees who leave either company, or offer employment to potential replacements on reasonable terms. In addition, Linde plc, Praxair and Linde may not be able to motivate certain key employees following the completion of the business combination due to organizational changes, reassignments of responsibilities, the perceived lack of appropriate opportunities for advancement or other reasons. If the combined group fails to successfully retain and motivate the employees of Praxair and/or Linde, relevant capabilities and expertise may be lost which may have an adverse effect on the cash flows and the financial condition and results of operations of Linde plc, Praxair and Linde.

**Risks Relating to the Business of Praxair**

Due to the size and geographic reach of Praxair's operations, a wide range of factors, many of which are outside of Praxair's control, could materially affect its future operations and financial performance. Praxair's management believes the following risks may significantly impact Praxair:

***General Economic Conditions*** *Weakening economic conditions in markets in which Praxair does business may adversely impact Praxair's financial results and/or cash flows.*

Praxair serves a diverse group of industries across more than 50 countries, which generally leads to financial stability through various business cycles. However, a broad decline in general economic or business conditions in the industries served by its customers could adversely affect the demand for Praxair's products and impair the ability of its customers to satisfy their obligations to Praxair, resulting in uncollected receivables and/or unanticipated contract terminations or project delays. In addition, many of Praxair's customers are in businesses that are cyclical in nature, such as the chemicals, electronics, metals and energy industries. Downturns in these industries may adversely impact Praxair during these cycles. Additionally, such conditions could impact the utilization of Praxair's manufacturing capacity which may require it to recognize impairment losses on tangible assets such as property, plant and equipment, as well as intangible assets such as goodwill, customer relationships or intellectual property.

***Cost and Availability of Raw Materials and Energy*** *Increases in the cost of energy and raw materials and/or disruption in the supply of these materials could result in lost sales or reduced profitability.*

Energy is the single largest cost item in the production and distribution of industrial gases. Most of Praxair's energy requirements are in the form of electricity, natural gas and diesel fuel for distribution. Praxair attempts to minimize the financial impact of variability in these costs through the management of customer contracts and reducing demand through operational productivity and energy efficiency. Large customer contracts typically have escalation and pass-through clauses to recover energy and feedstock costs. Such attempts may not successfully mitigate cost variability, which could negatively impact Praxair's financial condition or results of operations. The supply of energy has not been a significant issue in the geographic areas where Praxair conducts business. However, regional energy conditions are unpredictable and may pose future risk.

For carbon dioxide, carbon monoxide, helium, hydrogen, specialty gases and surface technologies, raw materials are largely purchased from outside sources. Where feasible, Praxair sources several of these raw



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materials, including carbon dioxide, hydrogen and calcium carbide, as chemical or industrial byproducts. In addition, Praxair has contracts or commitments for, or readily available sources of, most of these raw materials; however, their long-term availability and prices are subject to market conditions. A disruption in supply of such raw materials could impact Praxair's ability to meet contractual supply commitments.

***International Events and Circumstances*** *Praxair's international operations are subject to the risks of doing business abroad and international events and circumstances may adversely impact its business, financial condition or results of operations.*

Praxair has substantial international operations which are subject to risks including devaluations in currency exchange rates, transportation delays and interruptions, political and economic instability and disruptions, restrictions on the transfer of funds, the imposition of duties and tariffs, import and export controls, changes in governmental policies, labor unrest, possible nationalization and/or expropriation of assets, domestic and international tax laws and compliance with governmental regulations. These events could have an adverse effect on the international operations of Praxair in the future by reducing the demand for its products, decreasing the prices at which it can sell its products, reducing the U.S. dollar value of revenue from international operations or otherwise having an adverse effect on its business.

The United Kingdom's planned exit from the European Union has caused volatility in currency exchange rates as well as increased economic uncertainty. These factors could adversely affect Praxair's business and financial results primarily in Europe.

***Global Financial Markets Conditions*** *Macroeconomic factors may impact Praxair's ability to obtain financing or increase the cost of obtaining financing which may adversely impact Praxair's financial results and/or cash flows.*

Volatility and disruption in the U.S. and global credit and equity markets, from time to time, could make it more difficult for Praxair to obtain financing for its operations and/or could increase the cost of obtaining financing. In addition, Praxair's borrowing costs can be affected by short- and long-term debt ratings assigned by independent rating agencies which are based, in significant part, on its performance as measured by certain criteria such as interest coverage and leverage ratios. A decrease in these debt ratings could increase the cost of borrowing or make it more difficult to obtain financing. While the impact of volatility in the global credit markets cannot be predicted with certainty, Praxair believes that it has sufficient operating flexibility, cash reserves, and funding sources to maintain adequate amounts of liquidity to meet its business needs around the world.

***Competitor Actions*** *The inability to effectively compete could adversely impact Praxair's results of operations.*

Praxair operates within a highly competitive environment worldwide. Competition is based on price, product quality, delivery, reliability, technology and service to customers. Competitors' behavior related to these areas could potentially have significant impacts on Praxair's financial results.

***Catastrophic Events*** *Catastrophic events could disrupt the operations of Praxair and/or its customers and suppliers and may have a significant adverse impact on the results of operations.*

The occurrence of catastrophic events or natural disasters such as extreme weather, including hurricanes and floods; health epidemics; and acts of war or terrorism, could disrupt or delay Praxair's ability to produce and distribute its products to customers and could potentially expose Praxair to third-party liability claims. In addition, such events could impact Praxair's customers and suppliers resulting in temporary or long-term outages and/or the limitation of

supply of energy and other raw materials used in normal business operations. To mitigate these risks, Praxair evaluates the direct and indirect business risks, consults with vendors, insurance providers

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and industry experts, makes investments in suitably resilient design and technology, and conducts regular reviews of the business risks with management. Despite these steps, however, these situations are outside Praxair's control and may have a significant adverse impact on its financial results.

***Retaining Qualified Personnel*** *The inability to attract and retain qualified personnel may adversely impact Praxair's business.*

If Praxair fails to attract, hire and retain qualified personnel, it may not be able to develop, market or sell its products or successfully manage its business. Praxair is dependent upon a highly skilled, experienced and efficient workforce to be successful. Much of Praxair's competitive advantage is based on the expertise and experience of key personnel regarding marketing, technology, manufacturing and distribution infrastructure, systems and products. The inability to attract and hire qualified individuals or the loss of key employees in very skilled areas could have a negative effect on Praxair's financial results.

***Technological Advances*** *If Praxair fails to keep pace with technological advances in the industry or if new technology initiatives do not become commercially accepted, customers may not continue to buy Praxair's products and results of operations could be adversely affected.*

Praxair's research and development is directed toward developing new and improved methods for the production and distribution of industrial gases and the development of new markets and applications for the use of these gases. This results in the frequent introduction of new industrial gas applications and the development of new advanced air separation process technologies. Praxair also conducts research and development for its surface technologies to improve the quality and durability of coatings and the use of specialty powders for new applications and industries. As a result of these efforts, Praxair develops new and proprietary technologies and employs necessary measures to protect such technologies within the global geographies in which Praxair operates. These technologies help Praxair to create a competitive advantage and to provide a platform to grow its business. If Praxair's research and development activities do not keep pace with competitors or if Praxair does not create new technologies that benefit customers, future results of operations could be adversely affected.

***Pension Liabilities*** *Risks related to pension benefit plans may adversely impact Praxair's results of operations and cash flows.*

Pension benefits represent significant financial obligations that will be ultimately settled in the future with employees who meet eligibility requirements. Because of the uncertainties involved in estimating the timing and amount of future payments and asset returns, significant estimates are required to calculate pension expense and liabilities related to Praxair's plans. Praxair utilizes the services of independent actuaries, whose models are used to facilitate these calculations. Several key assumptions are used in the actuarial models to calculate pension expense and liability amounts recorded in the consolidated financial statements. In particular, significant changes in actual investment returns on pension assets, discount rates, or legislative or regulatory changes could impact future results of operations and required pension contributions.

***Operational Risks*** *Operational risks may adversely impact Praxair's business or results of operations.*

Praxair's operating results are dependent on the continued operation of its production facilities and its ability to meet customer contract requirements and other needs. Insufficient or excess capacity threatens Praxair's ability to generate competitive profit margins and may expose Praxair to liabilities related to contract commitments. Operating results are also dependent on Praxair's ability to complete new construction projects on time, on budget and in accordance with performance requirements. Failure to do so may expose Praxair's business to loss of revenue, potential litigation and

loss of business reputation.

Also inherent in the management of Praxair's production facilities and delivery systems, including storage, vehicle transportation and pipelines, are operational risks that require continuous training, oversight and control.

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Material operating failures at production, storage facilities or pipelines, including fire, toxic release and explosions, or the occurrence of vehicle transportation accidents could result in loss of life, damage to the environment, loss of production and/or extensive property damage, all of which may negatively impact Praxair's financial results.

***Information Technology Systems*** *Praxair may be subject to information technology system failures, network disruptions and breaches in data security.*

Praxair relies on information technology (which is herein referred to as IT) systems and networks for business and operational activities, and also stores and processes sensitive business and proprietary information in these systems and networks. These systems are susceptible to outages due to fire, flood, power loss, telecommunications failures, viruses, break-ins and similar events, or breaches of security. Praxair has taken steps to address these risks and concerns by implementing advanced security technologies, internal controls, network and data center resiliency and recovery process. Despite these steps, however, operational failures and breaches of security from increasingly sophisticated cyber threats could lead to the loss or disclosure of confidential information, result in regulatory actions and have a material adverse impact on Praxair's operations, reputation and financial results.

***Acquisitions and Joint Ventures*** *The inability to effectively integrate acquisitions or collaborate with joint venture partners could adversely impact Praxair's financial position and results of operations.*

In addition to the proposed business combination with Linde, Praxair has evaluated and expects to continue to evaluate, a wide array of potential strategic acquisitions and joint ventures. Many of these transactions, if consummated, could be material to its financial condition and results of operations. In addition, the process of integrating an acquired company, business or group of assets may create unforeseen operating difficulties and expenditures. Although historically Praxair has been successful with its acquisition strategy and execution, the areas where Praxair may face risks include:

the need to implement or remediate controls, procedures and policies appropriate for a larger public company at companies that prior to the acquisition lacked these controls, procedures and policies;

diversion of management time and focus from operating existing business to acquisition integration challenges;

cultural challenges associated with integrating employees from the acquired company into the existing organization;

the need to integrate each company's accounting, management information, human resources and other administrative systems to permit effective management;

difficulty with the assimilation of acquired operations and products;

failure to achieve targeted synergies and cost reductions; and

inability to retain key employees and business relationships of acquired companies. Foreign acquisitions and joint ventures involve unique risks in addition to those mentioned herein, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. Also, the anticipated benefit of potential future acquisitions may not materialize. Future acquisitions or dispositions could result in the incurrence of debt, contingent liabilities or amortization expenses, or impairments of goodwill, any of which could adversely impact Praxair's financial results.

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**Table of Contents****Risks Relating to the Business of Linde*****Weakening economic conditions in markets in which Linde operates may adversely impact its business or results of operations.***

As a company with global operations, Linde is subject to cyclical trends and the general development of the global economy. While the ongoing high level of sovereign debt in key European economies, as well as in the United States and major emerging markets, has faded somewhat into the background due to extensive intervention on the part of the central banks, the political uncertainty has increased. 2017 is an election year, with elections due to be held in several countries including Germany. The uncertainty surrounding the possible course charted out by new governments in Europe and North America could, among other things, put a damper on the investment climate and pose a threat to the anticipated growth in the medium term. It is expected that the new administration in the United States will bring about significant policy changes regarding, among other topics, foreign trade, imports, economic and energy-related policies, the consequences and extent of which cannot currently be assessed with certainty, but which may also have political and economic effects beyond the United States. The effects on global economic growth of interest rate levels, oil prices and expansive fiscal policies could fuel further uncertainty regarding structural reforms.

The United Kingdom referendum on the withdrawal from the European Union and related United Kingdom government action have created significant uncertainty about the future relationship between the United Kingdom and the European Union and have also given rise to calls for the governments of other European Union member states to consider withdrawal from the European Union. These developments or the perception that any of them could occur may have a material adverse effect on global economic conditions.

Linde may experience numerous economic challenges in the short to mid-term. The uncertainty regarding the stability of the positive growth outlook for the United States and the future monetary policy pursued by the Federal Reserve, as well as its impact on the currencies and economies of the emerging markets, are risk factors for the global economy. Following the rate hikes implemented by the Federal Reserve in 2016, it is not yet clear whether or not, and to what extent, central banks in other countries will also raise their interest rates in order to prevent large scale capital outflows. Interest rate policy measures could put the economies of certain countries under pressure and result in increased volatility on the financial markets, with a potential negative impact on the global economy.

The risk of a more pronounced growth slowdown than expected on the Asian and other high-growth markets, as well as the possibility of a continued weak economic environment in the South Pacific region, could have a negative impact on the global economy, as well as on the industries that Linde serves and its business. For example, in 2016, the ongoing weak economic environment in the manufacturing industry and a declining investment in the mining industry had an adverse impact on growth of Linde's gases division (which is herein referred to as Linde Gases Division), prompting the need to identify and implement cost-cutting measures.

Further economic risks could arise from the uncertain political development of the world's geopolitical crisis spots. In particular, the global increase in the risk of terrorism could prompt short-term economic contractions.

Should the global economy weaken significantly, there would be the threat of lost sales, a potential lack of new business, for example due to an ensuing reluctance to invest, and an increase in the risk of bad debts in the operating business due to the increasing inability of customers to make payments.

In its function as the parent company of The Linde Group, Linde AG holds investments in group companies. The carrying amounts of these investments run the risk of a diminution in value should the economic situation or exchange rates of these group companies change for the worse. This scenario might have an adverse impact on the net income of

Linde AG.



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Linde has a dual focus on its gases business and on its engineering project business (plant construction). These two businesses, and their different product areas and plant types, respectively, may be affected differently in terms of revenue and earnings when there are changes in certain economic conditions. In particular, the engineering project business may be materially impacted by a short-term decline of commodity prices (including oil and natural gas prices) or general economic conditions, which typically have a more direct effect on the willingness of its customers or potential customers to invest in new plants, the expansion of existing plants or other projects, on which Linde is dependent. Therefore, negative economic or other developments affecting the main industries that Linde addresses may have a negative effect on Linde's business, financial condition and results of operations.

***The inability to effectively compete could adversely impact Linde's business or results of operations.***

The competitive pressure facing Linde is mounting both on markets that offer significant growth potential and on more mature markets. This is being fueled, in particular, by weak growth prospects and the migration of existing industries. All the markets in which The Linde Group is active are also characterized by a trend towards improvement of cost-effective structures, which in turn would increase competition even further.

Existing or new competitors that may appear may develop their current products and technologies further or create alternative ones that are more attractively priced, offer higher quality or are more appealing for other reasons than Linde's products. If new or better developed products can be offered at more attractive prices, or if such products are more attractive than Linde's products for other reasons such as a higher degree of functionality, demand for Linde's products would fall, which could have a material adverse effect on Linde's business, financial condition and results of operations.

***Cost pressure in the healthcare sector could adversely impact Linde's business or results of operations.***

In the healthcare product area, cost pressure in the healthcare sector and the current trend towards outsourcing by government agencies and health insurance funds have intensified the risk of losing contracts. For example, in the United States, price reductions came into effect at the beginning of 2016 due to government tenders, and these cuts were stepped up further from July 1, 2016. However, some price cuts were subsequently postponed to the beginning of 2017. Such price cuts generally have a negative impact on Linde's revenue and earnings development. In addition, changes in the law, for example, with regard to case based lump sums or outsourcing and tendering processes, could have an adverse effect on the opportunities for developing new business in certain countries. In particular, competitive bidding processes may limit reimbursements that Linde is able to achieve from governments in the healthcare sector. These factors are especially relevant in sales markets in the United States and in Europe. For example, a potential expansion of Medicare's competitive bidding program in the United States or changes to the bidding or contracting process could limit Linde's ability to service Medicare beneficiaries in certain geographic markets.

Any materialization of these risks could result in material adverse effects on Linde's business, financial condition and results of operations.

***Risks associated with pricing may adversely impact Linde's business, financial condition or results of operations.***

Risks associated with the setting of prices generally arise in areas where certain cost increases cannot be passed on to the customer. The high level of volatility in energy prices and the price of raw materials mean that there is a risk that targets for revenue and earnings might not be met if the resulting increase in costs is not taken into consideration when contracts are agreed and prices are set, or not taken into consideration in a timely manner. Therefore risks associated with the setting of prices could have a significant adverse impact on Linde's business, financial condition and results of operations.



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**Table of Contents*****Customer and sales risks associated with the commercialization of new customer projects and existing projects could adversely impact Linde's business or results of operations.***

Customer and sales risks associated with both the commercialization of new customer projects or follow-up projects and existing projects cannot be eliminated, especially in the growth markets. There might be technical or economic reasons on the customer side or in the sales markets which could require changes being made to the project or contract. As a result it may not be possible to produce the quantities originally assumed in the business plan in full or it may only be possible to produce such quantities behind schedule. This might give rise not only to uneconomic production processes, but also to significant adverse variances from budgeted cash flow, thereby jeopardizing the revenue and earnings targets attached to the investment.

In addition, Linde may be required to compensate customers for losses and damages if Linde is unable to manufacture and deliver the agreed products because, for example, it is unable to achieve the required production capacities in time. Such compensations could have a material adverse effect on Linde's business, financial condition and results of operations.

***A sustained low oil and natural gas price environment could adversely impact Linde's business, financial condition or results of operations.***

The global economic outlook and the further development of oil prices are interrelated. Sustained low prices for oil, natural gas and liquefied natural gas (which is herein referred to as LNG), or a drop in such prices, could further exacerbate the general reluctance to invest in the energy sector, particularly in those countries that are heavily reliant on oil or natural gas. This would, in turn, have a negative impact on the providers of capital-intensive goods from the industrialized nations. A prolonged phase of low oil prices would increase the risk of mounting insolvency rates among fracking companies in the United States or state bankruptcies, both of which would have a negative impact on the financial markets and the global economy.

The high oil price levels in the past have contributed to significant investments in Linde's products, such as large-scale plant manufacturing. However, demand for Linde's products has been affected by the decline of the oil price combined with the saturation of certain markets that had increased investment activity during periods of higher oil price levels, for example regarding the shale gas business in North America. While oil prices have recovered from prior comparative low levels, a decline in price, or oil price volatility, could have a negative impact on Linde's engineering division (which is herein referred to as Engineering Division) and the achievement of its short-term order intake targets. Potential customers in the petrochemical and natural gas processing industry could postpone their investment plans further in a climate of uncertainty. For example, in 2016, due to the low prices of oil, natural gas and LNG, the oil and gas industry reduced its investment level drastically, and other industries, such as the chemical industry, were affected as well by the low oil and gas prices. In addition, even if oil price levels further stabilize or increase, Linde's customers may continue their restrictive investment policies and may further postpone new plant constructions or other major investment projects. When it comes to integrated gases projects in the energy sector, the reluctance to invest among customers is also a risk that affects the Linde Gases Division. Any such reluctance or failure of customers to invest in Linde's products and services could have a material adverse effect on Linde's business, financial condition and results of operations.

***Increases in the cost of gas, raw materials and energy and/or disruption of Linde's supply chain could result in lost sales or adversely impact Linde's business or results of operations.***

A key element in the success of the business units is the ready availability of products and services purchased by Linde, which must be of suitable quality, and obtainable in appropriate quantities at prices in line with market

conditions. This applies not only to certain gases which Linde does not produce itself, but also to other materials which are dependent on raw materials such as steel, aluminum and brass as well as energy.

Where take-or-pay agreements have been concluded with gases suppliers and long-term procurement strategies are in place, sales risks might possibly arise for The Linde Group if it has not also entered into

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corresponding agreements with customers. These procurement contracts often provide that compensation must be paid by Linde if there is a premature termination or if Linde buys less than the quantities originally specified. Such compensations could have a significant adverse impact on Linde's financial condition and results. Risks may also arise for The Linde Group if long-term procurement contracts are not matched by sales contracts covering a similarly long period.

***Linde's manufacturing, construction and other activities may lead to personal injury, environmental or property damage, which may have an adverse impact on Linde's business or results of operations.***

The manufacturing of products and construction of plants by The Linde Group may entail risks associated with the production, filling, storage and transport of raw materials, goods or waste, and the distribution of products and related logistics services. These risks might lead to personal injury, damage to property or environmental damage, which in turn might result in business interruptions, monetary penalties, compensation payments or environmental clean-up costs. The reputation of The Linde Group could also suffer if any such event were to occur.

Despite Linde's health and safety programs and other safety measures, Linde could incur substantial liability in excess of any applicable insurance that could adversely affect Linde's results of operations and financial condition.

The Linde Group's various operating processes are associated with risks which might lead to environmental damage. The Linde Group focuses on reducing emissions and on making continual improvements to its operations to ensure the efficient use of resources, materials and energy. However, the possibility that The Linde Group's activities might lead to environmental damage or that remediation works might cost more than originally budgeted cannot be ruled out.

***Production or other business interruptions, including with respect to catastrophic events, may adversely impact Linde's business or results of operations.***

A business interruption at one of Linde's main plants or at a customer's on-site plant could adversely affect the business, results of operations and reputation of The Linde Group. This would be particularly true if the interruption to the business were to be caused by an accident which also resulted in personal injury or damage to the environment. Risks also include machinery failure or plant breakdowns, which may lead to capacity bottlenecks.

A risk to Linde's employees and to the net assets, financial condition and results of operations of The Linde Group is also posed by catastrophic events, natural disasters, pandemics, acts of war and terrorist or other criminal attacks. Any such events may, for example, cause disruptions in the supply chain or the project business of Linde. These risks may also have an indirect impact on Linde if customers or suppliers of The Linde Group are significantly affected by any of them.

***Technical quality and other problems in plant construction projects may adversely impact Linde's business or results of operations.***

Complex major plant construction projects pose particular risks. The Linde Group's Engineering Division handles significant contracts which may be worth several hundred million euros and where construction may take a number of years and involve complex processes.

Typically, the Engineering Division is involved in the design and construction of turnkey plants. Potential risks may arise as a result of the cost accounting and execution of such complex projects, which are subject to uncertainty. Risks may include unexpected technical problems, supply bottlenecks and quality problems with suppliers of major components, unforeseen developments during on-site assembly and problems with partners or subcontractors. Such

risks may cause project delays and cost overruns and have a material adverse impact on Linde's business, financial condition or results of operations.

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Linde operates technologically complex and interconnected production plants and builds such plants for customers. Any stoppage in or any technical failure of such plants could result in serious damage through accidents, loss of production, customers, revenue and reputation, as well as in penalties and liabilities to customers and other persons. Production of Linde's own plants as well as the assembly of customer's plants may be affected by loss of suppliers or interruptions in the delivery of raw materials, parts, subassemblies or components.

***Risks related to counterparties, liquidity, interest rate movements and exchange rates may adversely impact Linde's financial results or cash flows.***

Due to its global operations, Linde is exposed to a number of financial risks. In particular, these include credit risks, counterparty risks, liquidity risks and risks arising from movements in interest rates and exchange rates. Interest rate risk arises as a result of fluctuations in interest rates caused by the markets. These fluctuations affect both the interest expense borne by Linde and the fair values of financial instruments. In the case of exchange rate risks, there are operational transaction risks, which are the result, for example, of supply contracts for individual projects spread across different currency zones, and translation risks, which arise from currency translation of the financial statements of subsidiaries where those subsidiaries have a functional currency other than The Linde Group's reporting currency. Counterparty risks arise where one or more counterparties (for example, customers) are unable to perform their contractual obligations, including paying amounts owed to Linde in full and on time. For example, in the recent past Linde has experienced counterparty insolvency in the U.K. steel sector. Any materialization of counterparty risks may lead to bad debts owed to The Linde Group and the inability to collect outstanding receivables. Any of these financial risks may have a material adverse effect on Linde's business, financial results or cash flows.

***Risks related to pension scheme commitments may adversely impact Linde's financial results or cash flows.***

In more than 50 countries, including Germany, companies in The Linde Group have defined benefit commitments to their employees under occupational pension schemes. Depending on the structure of the schemes, one-off payments may be made or the employees may be entitled to a pension for life with an annual increase which may be variable or inflation-linked. As a result, The Linde Group is exposed to risks arising from unexpectedly high rates of inflation or increases in life expectancy.

The amount of the obligation is the actuarial present value of all pension commitments and is expressed as the defined benefit obligation under IFRS. The amount of the obligation is subject to annual changes in the valuation assumptions, especially those relating to the discount rate and the rate of inflation. This gives rise to interest rate risks and inflation risks.

In most pension schemes, the obligation is covered by assets which are maintained separately. The worth of the pension assets is subject to fluctuations in the fair value of those assets: for example, bonds and shares. Therefore, Linde is exposed to market risks, especially interest rate risks, spread risks and equity risks.

The risks relating to pension obligations on the one hand and to pension assets on the other hand, and therefore to the net funding position of pensions, are quantified and evaluated on a regular basis by Linde. There is a natural conflict between a significant reduction of the risk and the achievement in the long term of the return on assets required to keep pace with the potential increase in the obligation.

Inadequate future investment performance of pension assets or adverse changes in assumptions associated with Linde's pension schemes could have a material adverse effect on its financial results or cash flows.





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***Linde's operations are subject to changes in political, legal or social circumstances, which may adversely impact its business or results of operations.***

Linde's business is exposed to economic, political and legal risks due to the international nature of its business. Some of the countries in which Linde manufactures or offers services or into which it exports are subject to significantly reduced economic, political, social and legal stability.

A fundamental risk for Linde is posed by potential radical changes in the political, legal and social environment. Potential risks that Linde might encounter in different countries as a global corporation include the nationalization or expropriation of assets, legal risks, the prohibition of capital transfers, bad debts with government institutions, war, terrorist attacks and other unrest. Political unrest and wars may also be the cause of indirect risks (economic risks, project risks and risks associated with commercialization), as a result for example of political and economic sanctions that may extend beyond the borders of the actual region in crisis. For example, the current conflict between Russia and Ukraine, including sanctions imposed on Russia related thereto, might have an impact on Linde's large plant construction business in Russia, leading to delays or cancellations relating to the implementation of existing projects. There could also be an indirect negative impact on Linde companies in other countries in the Linde Gases Division and in other markets in the Engineering Division if Linde customers were to change their investment or business plans as a result of the relevant political unrest or due to any imposition or escalation of sanctions.

There is also the risk that embargoes or sanctions are agreed or imposed for certain countries in which Linde operates, which could have an adverse impact on existing trading relations or investment plans which are in place even before the embargo comes into force.

***Risks arising from the acquisition and sale of companies as well as the entry into or exit from joint ventures may adversely impact Linde's business or results of operations.***

Linde is exposed to risks in connection with the acquisition and sale of companies, products, and technologies as well as risks in connection with the entry into or exit from joint ventures, in addition to the proposed business combination with Praxair. Linde has completed a variety of such transactions in the past, which are associated with complex risks, and expects to continue to carry out such acquisitions and sales and entering into joint ventures in the future. The corresponding risks include delays and challenges that could arise in the process of integrating companies acquired into The Linde Group or due to an inadequate review of business and other risks in the context of the acquisition of a company or in the context of a joint venture. In addition, there is the risk that Linde's profitability might be reduced because of successful claims made against Linde relating to representations and warranties given in the course of the sale of a company or contractual arrangements in the context of a joint venture, or relating to known or unknown liabilities of any divested business for which Linde may be held responsible during or after a divestiture. There can be no assurance that Linde will be able to identify suitable targets or complete acquisitions or enter into joint ventures on favorable terms or at all, find buyers for the businesses it intends to divest or achieve the expected proceeds from a divestiture.

Acquisitions carry many additional risks. These include, among others:

It may not be possible to successfully integrate the acquired business, including its administrative functions such as accounting and human resources.

It may not be possible to integrate the acquired technologies or products with current products and technologies.

It may not be possible to retain key personnel of the acquired business.

The purchaser may assume material unknown liabilities of acquired companies, including legal or intellectual property contingencies or other significant risks that may not have been detected by the due diligence process.

It may be difficult to implement, restore, or maintain internal controls, procedures, and policies.

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In addition, acquisitions and joint ventures may be capital intensive and tie up valuable management resources. It is also possible that not all material risks in connection with the establishment of joint ventures will be identified in the due diligence processes or that any such risks will be identified or sufficiently taken into account in the decision-making process or the respective agreements. Furthermore, in joint ventures or other co-operations and partnerships, Linde has only limited influence on the organization and business success of the entities concerned. Thus, Linde's ability to exploit the strategic potential of such joint ventures, co-operations and partnerships may be impaired if Linde were unable to agree with its partners on a common strategy and its implementation. The interests of Linde's partners may also conflict with Linde's interests and Linde may be prevented, for example due to the governance structure and rights allocation within the joint venture and the applicable partnership agreements, from achieving its own goals. Moreover, the acquired businesses or joint venture entities might not perform as anticipated, due to technical or other difficulties or changing framework conditions. In such cases, Linde may be forced in the future to recognize impairment losses on assets acquired or the goodwill of the cash-generating unit(s) to which the goodwill resulting from the applicable acquisition was allocated to, or on the participation relating to a joint venture entity. Such underperformance or any technical or other difficulties may have a negative effect on Linde's financial condition and cash flows, resulting in less than expected revenues and potentially requiring Linde to contribute additional, unexpected funds to enable the continued operations of the joint venture or to service financial or other debts of the joint venture entity. Any such conflicts may also give rise to claims, which can be costly and time consuming and have a negative effect on the future performance of the joint venture. Further, Linde is exposed to risks associated with the business of the acquired businesses, some of which Linde may not presently be aware of; and Linde might not have indemnification claims against the sellers or former shareholders of the acquired business for any such risks.

***Linde may fail to recognize growth opportunities or realize expected benefits of strategic initiatives, including efficiency programs.***

Linde's long-term growth targets are based on, among other things, the growth areas of energy, the environment and healthcare, as well as on dynamic trends in fast-growing economies.

Failure to identify growth opportunities and execute productivity improvements may limit increases in profitability and may have a material adverse effect on Linde's market and financial position. These risks can materialize from inadequate processes or a lack of resources to identify opportunities and exploit them.

There are also risks associated with the internal measures adopted by The Linde Group to achieve its targets. These include strategic initiatives, for example, the expansion of the product portfolio, acquisition and investment projects and innovation. The risks associated with such projects are principally the result of the uncertainty attached to assumptions about the future development of the underlying business model and to the amount of the net investment in an acquisition project or the net cash inflow from an investment project. Linde may fail to execute or achieve anticipated outcomes of its strategic initiatives, which may affect how the market perceives Linde and could impede its growth and profitability.

Overexposure to a single region, customer segment or a particular technology might, for example, have an adverse impact on Linde's net assets, financial position and results of operations and on its future growth prospects if the assumed overall circumstances change, for example, in a situation where economic conditions worsen or customers fail to extend their contracts.

In addition, Linde has two major programs in place to enhance efficiency. With the Focus program, Linde has taken key organizational adjustment steps in recent years with the aim of reducing costs by up to 180 million per year from 2015 to 2017, as a result of these measures. The LIFT program, launched in the autumn of 2016, includes measures to

further optimize Linde's portfolio, review and streamline the range of products and services offered as well as regional activities, for example by withdrawing from unattractive regional markets, further strengthen regional responsibilities, and invest in digital distribution channels. The LIFT program is also designed to run for a period of three years and aims to generate further planned savings of

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around 370 million per year from 2019 onwards. Linde may also implement further efficiency improvement and cost saving initiatives in the future. Linde has incurred, and may continue to incur further substantial restructuring costs and cash-outs, including severance payments and capital expenditures. If historical costs and expenses and those Linde will continue to incur as part of its efficiency improvement measures are not offset by future savings, Linde's financial position may be adversely affected. Expected efficiency improvements and cost savings are based on certain assumptions and estimates and are therefore subject to uncertainties. There can also be no assurance that these initiatives will bring about the targeted cost savings, efficiencies and the expected increase in Linde's business potential and earnings.

Any failure to timely implement efficiency improvements and cost savings measures, or the realization of any of the aforementioned risks during or after the implementation, may have a material adverse effect on Linde's business, results of operations, financial position, cash flows and prospects.

***Linde might be subject to IT failures, network or system interruptions, data loss and breaches in data security.***

Many processes in the Linde organization are dependent on the reliability of the IT infrastructure, software applications and data. Therefore, breakdowns or interruptions in the relevant systems or data loss generally have a negative impact on business processes or production. Longer-term shutdowns or critical data loss could adversely affect the net assets, financial position and results of operations of The Linde Group. Breaches of data protection rules, unauthorized data retrieval or the loss of personal data or sensitive corporate data might result in compensation claims, penalty charges, competitive losses and long-term damage to reputation and a loss of confidence in Linde.

IT failures, network or system interruptions, data loss, breaches in data security or any other IT failure may adversely impact the company's business and results of operations.

***Risks related to the development of, or the access to, technology may adversely impact Linde's business or results of operations.***

Linde's success is dependent in part on its continued investment in technologies to develop new products and services across all businesses, new applications for existing products or to design effective means for producing industrial gases. Innovative projects differ from normal capital expenditure projects because of their novelty. Generally, the more innovative the project, the greater the risks attached to it. Despite the opportunities for growth which may be presented by the activities of Linde's research departments, there is a risk that, due to the high level of complexity of the technologies and markets and the fast rate of change associated with them, projects might be postponed, or might not be able to proceed for technological, economic, legal, or safety reasons. The collaboration with research and development partners can give rise to additional risks to the projects' success, for example, the risk that a partner becomes insolvent. On the other hand, there is also the risk that competitors might develop new technologies faster or in a more sustainable manner than Linde and then launch those onto the market and through this present a threat to Linde's core technologies. Failure to access or develop technology or anticipate, manage or adopt technological changes in operations or product applications on a timely basis could have a material impact on Linde's future business and results of operations.

***The inability to attract or retain qualified personnel may adversely impact Linde's business or results of operations.***

Linde's success is dependent on its highly skilled, experienced and efficient workforce. The inability to attract and hire qualified individuals or the loss of key employees in skilled areas could have a negative effect on Linde's business or results of operations.



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***Potential labor union disputes may adversely impact Linde's business or results of operations.***

A portion of Linde's employees are covered by various national collective bargaining agreements, which set minimum standards for employment. A prolonged failure of unions to renew or renegotiate a collective bargaining agreement could result in industrial action or other labor unrest that is outside of The Linde Group's control.

This could disrupt Linde's business and may result in a breach of service parameters or contracts. If not resolved in a timely and cost-effective manner, such industrial action or other labor unrest could prevent or hinder Linde's operations from being carried out normally and could have a material adverse effect on Linde's business and results of operations.

**Risks Relating to the Regulatory Environment and Legal Risks**

***Praxair, Linde and Linde plc are subject to a variety of international government regulations. Changes in these regulations could have an adverse impact on the business, financial position and results of operations.***

Praxair, Linde and Linde plc are subject to regulations in the following areas, among others:

environmental protection including climate change;

domestic and international tax laws and currency controls;

safety;

securities laws applicable in the United States, the European Union, Germany, Ireland, and other jurisdictions;

trade and import/export restrictions, as well as economic sanctions laws;

antitrust matters;

global anti-bribery laws, including the U.S. Foreign Corrupt Practices Act; and

healthcare regulations.

Changes in these or other regulatory areas may impact Praxair's and Linde's profitability, may require Praxair and Linde to spend additional resources to comply with the regulations, or may restrict their ability to compete effectively in the marketplace. Noncompliance with such laws and regulations could result in penalties or sanctions that could have an adverse impact on Praxair's and Linde's financial results and/or reputation.

Praxair and Linde are subject to various environmental and occupational health and safety laws and regulations, including those governing the discharge of pollutants into the air or water, the storage, handling and disposal of chemicals, hazardous substances and wastes, the remediation of contamination, the regulation of greenhouse gas emissions, and other potential climate change initiatives. Violations of these laws could result in substantial penalties, third-party claims for property damage or personal injury, or sanctions. Particularly in the healthcare product area, which is largely state-regulated, regulatory changes could have material adverse effects on the companies' profitability or on the opportunities for developing new business. Other examples are the design of the EU emissions trading system, including the additional administrative burdens and costs related thereto, and the extra burden being placed on energy-intensive industrial gases production by the increase in electricity prices as a result of additional statutory levies. Praxair and Linde may also be subject to liability for the investigation and remediation of environmental contamination at properties that they own or operate and at other properties where they or their predecessors have operated or arranged for the disposal of hazardous wastes.

In addition, Praxair and Linde are affected by measures being taken to regulate the international financial markets. In a variety of jurisdictions, Praxair and Linde must comply with comprehensive rules and reporting requirements when processing financial transactions. Breaches of these rules and requirements may incur significant penalties from the relevant supervisory authorities. Examples are the Dodd Frank Act in the United



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States and the European Market Infrastructure Regulation (which is herein referred to as EMIR) in Europe. EMIR sets, among others, clearing obligations for certain standardized over-the-counter derivative contracts, requires risk mitigation techniques for non-standard over-the-counter derivatives (*i.e.*, portfolio reconciliation and dispute resolution, timely deal confirmation, and portfolio compression) and introduced an obligation to report all trades in defined instruments to trade repositories. German law requires annual auditing and certification of Linde's EMIR compliance by an auditor. Non-compliance with EMIR obligations may be subject to a fine and be made public by BaFin.

Praxair and Linde are subject to a particularly extensive legal and regulatory framework, including numerous laws aiming at preventing fraud and abuse, marketing, billing, documenting and record keeping, and an expanded regulatory oversight. A greater degree of regulatory scrutiny, together with an extensive legal and regulatory framework, increases the risks that the relevant operations will fail to comply with the applicable laws and regulations and be exposed to civil and criminal liability. This could have a material adverse effect on the companies' competitiveness, profitability and financial position.

***The outcome of litigation or governmental investigations may adversely impact Praxair's or Linde's business or results of operations.***

With their international operations, Linde and Praxair are exposed to numerous legal risks. These may include, in particular, risks relating to claims or governmental investigation relating to product liability, competition and antitrust law, export control, customs regulations, labor law, data protection, supply contracts, engineering projects, patent law, tax legislation, healthcare regulations and environmental protection, among others. Praxair, Inc. and certain of its subsidiaries as well as certain companies in The Linde Group are party to various lawsuits and governmental investigations arising in the ordinary course of business. Adverse outcomes in some or all of the claims pending may result in significant monetary damages or injunctive relief that could adversely affect Linde plc's, Praxair's and Linde's ability to conduct business. The litigation and other claims Praxair and Linde face are subject to inherent uncertainties. Legal or regulatory judgments or agreed settlements might give rise to expenses which are not covered, or are not fully covered, by insurance benefits and may also lead to negative publicity and reputational damage. An unfavorable outcome or determination could cause a material adverse impact on Linde plc's, Praxair's and Linde's results of operations.

***Praxair and Linde are subject to anti-corruption laws in the jurisdictions in which they operate, as well as trade compliance and economic sanctions laws and regulations. A failure to comply with these laws and regulations may subject the companies to civil and criminal penalties, harm their reputation and materially adversely impact their respective businesses or results of operations.***

Doing business globally requires Praxair and Linde to comply with the laws and regulations of numerous jurisdictions, placing restrictions on operations and business practices. Certain laws and regulations, such as those related to anti-corruption, trade and compliance and economic sanctions, require Praxair and Linde to implement policies and procedures designed to ensure that Praxair and Linde, their employees and other intermediaries comply with the applicable restrictions. These restrictions include prohibitions on the sale or supply of certain products, services and any other economic resources to embargoed or sanctioned countries, governments, persons and entities. Compliance with these restrictions requires, among other things, screening of business partners. Praxair currently conducts operations in Russia and Linde currently conducts operations in Russia and Iran, in each case, in accordance with applicable economic sanctions laws. Despite the companies' commitment to legal compliance and corporate ethics, neither can ensure that its policies and procedures will always protect it from intentional, reckless or negligent acts committed by employees or agents under the applicable laws. In addition, such restrictions on operations and business practices as well as required procedures may become more stringent or cumbersome in the future, including as a result

of changes in applicable laws and regulations. Furthermore, as a result of the business combination and the transaction structure, Praxair and Linde may become subject to additional laws and regulations that, among other things, may place further restrictions on the companies' operations and business practices, and may lead to Linde plc losing existing business or limiting

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its ability to generate new business, which could have an adverse effect on their respective operations in these or other countries, and may result in certain categories of investors divesting Linde plc securities, which could in turn have an adverse effect on the prices of Linde plc securities. Violations of anti-corruption laws, export control laws and regulations, and economic sanctions laws and regulations are punishable by civil penalties, including fines and debarment from government contracts, as well as criminal fines and imprisonment. If Praxair or Linde fails to comply with laws governing the conduct of international operations, Praxair or Linde may be subject to criminal and civil penalties and other remedial measures, which could materially adversely affect its reputation, business and results of operations.

***Potential product defects or inadequate customer care may adversely impact Praxair's and Linde's business or results of operations.***

Risks associated with products and services may result in potential liability claims, the loss of customers or damage to Praxair's and The Linde Group's reputation. Principal possible causes of risks associated with products and services are product defects or an inadequate level of customer care when Praxair and Linde are providing services.

Praxair and The Linde Group are exposed to legal risks relating to product liability in the countries where they operate, including countries such as the United States, where legal risks—in particular legal risks stemming from class action product liability—have historically been more significant than in other countries. The outcome of any pending or future products and services proceedings or investigations cannot be predicted and legal or regulatory judgments or agreed settlements may give rise to significant losses, costs and expenses.

The manufacturing and sale of products as well as the construction of plants by Praxair and The Linde Group may give rise to risks associated with the production, filling, storage, handling and transport of raw materials, goods or waste. Industrial gases are potentially hazardous substances and medical gases and the related healthcare services must comply with the relevant specifications in order to not adversely affect the health of patients treated with them.

These products and services, if not handled or performed appropriately, might lead to personal injuries, business interruptions, environmental damages or other significant damages, which may result in a number of negative consequences, including:

liability payments, losses, monetary penalties or compensation payments;

environmental clean-up costs or other costs and expenses;

exclusion from certain market sectors deemed important for future development of the business; and

loss of reputation.

In addition, neither Praxair nor Linde can exclude any product defects or inadequate provision of services. Risks associated with products and services may result in negative consequences such as potential liability claims, contracts failing to be extended, contractual penalties, inclusion in lists of prohibited counterparties and damage to the companies' reputation. Such consequences may have a material adverse effect on Praxair's and Linde's respective businesses and results of operations.

*Any claims beyond Praxair's or Linde's insurance coverage limits, or that are otherwise not covered by Praxair's or Linde's insurance, may result in substantial costs, a reduction in its available capital resources and may have an adverse impact on Praxair's or Linde's financial results or cash flows.*

Praxair and Linde carry various forms of business and liability insurance in types and amounts believed reasonable and customary for similarly situated companies in the industry. However, Praxair and Linde are not able to have insurance coverage for all of the risks and liabilities assumed in connection with their respective

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businesses, including product liability, breakdown of machinery, damages to buildings and other assets, injuries to employees, customers or vendors and environmental contamination. In addition, insurance policies generally have deductibles or limits that reduce the amount of Praxair's and Linde's potential recoveries from insurance. As a result, not all of the companies' potential business losses are covered under their respective insurance policies. Should Praxair or Linde sustain a significant uncovered loss, this could reduce their respective net income or result in a net loss. Additionally, if one or more insurance counterparties were to fail, Praxair or Linde would bear the entire amount of an otherwise insured loss. As a result, any claims beyond Praxair's or Linde's insurance coverage limits or that are otherwise not covered by their insurance or are made against non-solvent parties may have a material adverse effect on the companies' financial results or cash flows.

***Praxair and Linde may not be successful in protecting their intellectual property rights or in avoiding infringement claims relating to intellectual property rights of third parties.***

Praxair and Linde own a large number of patents and other intellectual property. While there is a presumption that patents are valid, the granting of a patent does not necessarily imply that they are effective or that potential patent claims can be enforced to the degree required or desired. In addition, Praxair and Linde cannot guarantee that all the patents they have applied for or planned in connection with new technological developments will be granted in each of the countries where the companies consider this necessary or desirable. Also, the possibility that third parties may infringe Praxair's or Linde's patents and/or other intellectual property rights and that the companies, for legal or factual reasons, might be unable to halt such infringements, cannot be excluded.

In addition, non-confidential know-how and industrial secrets that are not patented or cannot be patented are of paramount importance in Praxair's and Linde's business, in particular in areas with technologically demanding products and production processes.

Should Praxair or Linde not be able to protect their intellectual property, they may not be able to profit from the advances in technology it has achieved, which could lead to a reduction in its future results of operations. This could affect their respective competitive position and any resulting reduction in revenues would have a material adverse effect on Praxair's or Linde's business, financial condition and results of operations.

In addition, Praxair and Linde cannot exclude the possibility that they infringe or will infringe the patents and other intellectual property rights of third parties. If that were to happen, Praxair or Linde would be prevented from using the affected technologies in the countries where such intellectual property rights were granted. In such cases, Praxair and Linde may be prohibited from manufacturing or marketing certain products and may be forced to obtain licenses or make changes to its manufacturing processes. Further, it could be exposed to demands for compensation for infringements. Praxair and Linde could also be forced to purchase licenses to make use of technology from third parties, which would entail corresponding costs.

If such events occur, they may have a material adverse effect on Praxair's or Linde's competitiveness, business, profitability and financial position.

***U.S. civil liabilities may not be enforceable against Linde plc.***

Linde plc is organized under the laws of Ireland and substantial portions of its assets will be located outside of the United States. In addition, certain members of the board of directors of Linde plc (which is herein referred to as the Linde plc board of directors), the Linde supervisory board and the Praxair board of directors, and certain members of the Linde executive board and officers of Linde AG and Linde plc, as well as certain experts named herein, reside outside the United States. As a result, it may be difficult for investors to effect service of process within the United

States upon Linde plc, Linde AG or such other persons residing outside the United States, or to enforce outside the United States judgments obtained against such persons in U.S. courts in any action, including actions predicated upon the civil liability provisions of the U.S. federal securities laws. In

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addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the United States, rights predicated upon the U.S. federal securities laws.

A judgment for the payment of money rendered by a court in the United States based on civil liability would not be automatically enforceable in Ireland. There is no treaty between Ireland and the United States providing for the reciprocal enforcement of foreign judgments. The following requirements must be met before the foreign judgment will be deemed to be enforceable in Ireland:

- (i) the judgment must be for a definite sum;
- (ii) the judgment must be final and conclusive; and
- (iii) the judgment must be provided by a court of competent jurisdiction.

An Irish court will also exercise its right to refuse judgment if the foreign judgment (a) was obtained by fraud; (b) violated Irish public policy; (c) is in breach of natural justice; or (d) if the judgment is irreconcilable with an earlier foreign judgment.

Based on the foregoing, there can be no assurance that U.S. investors will be able to enforce against Linde plc, any member of its board of directors, the Linde supervisory board or executive board, or the Praxair board of directors, or any officer of such companies, or any expert named herein who is a resident of a country other than the United States, any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws.

In addition, there is doubt as to whether an Irish court would accept jurisdiction and impose civil liability on Linde plc, any member of its board of directors, the Linde supervisory board or executive board, or the Praxair board of directors, or any officer of such companies, or any expert named herein who is a resident of a country other than the United States, in an original action predicated solely upon the U.S. federal securities laws brought in a court of competent jurisdiction in Ireland against Linde plc or such member, officer or expert, respectively.

## **Risks Relating to Tax Matters**

***A change in Linde plc's tax residency could have a negative effect on Linde plc's future profitability, and may trigger taxes on dividends or exit charges.***

Linde plc intends to manage its affairs so that it is centrally managed and controlled in, and effectively managed from, the United Kingdom and therefore has its tax residency only in the United Kingdom. However, we cannot assure you that Linde plc is or will continue to be resident only in the United Kingdom for tax purposes.

Under current Irish legislation, a company is regarded as resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland, or, in certain circumstances, if it is incorporated in Ireland. Under current U.K. legislation, a company that is centrally managed and controlled in the United Kingdom is regarded as resident in the United Kingdom for taxation purposes unless it is treated as resident in another jurisdiction pursuant to any appropriate double tax treaty with the United Kingdom. Other jurisdictions may also seek to assert taxing jurisdiction over Linde plc. For example, a company is subject to German taxation on its worldwide income if it has either its registered seat or place of effective management and control in Germany. This is a question of fact and needs to be determined on an overall assessment of the actual circumstances. Where a company is treated as tax resident under the domestic laws of both the United Kingdom and Ireland, article 4(3) of the Double Tax Convention between Ireland and the United

Kingdom (which is herein referred to as the residence tie-breaker ) currently provides that the company shall be treated as resident only in one of those two jurisdictions if its place of effective management is situated there. A similar situation would exist if Linde plc was treated as a tax resident under the domestic laws of both the United Kingdom and Germany, or of Ireland and Germany.



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The Organisation for Economic Co-operation and Development has proposed a number of measures relating to the tax treatment of multinationals, some of which are to be implemented by amending double tax treaties through a multilateral instrument (which is herein referred to as the MLI ). The MLI has been signed by a number of countries, including Ireland and the United Kingdom. The MLI allows signatories to opt into or out of certain changes: the effect for a given double tax convention depends on the options chosen by the two contracting states. Ireland and the United Kingdom have indicated they intend to change the residence tie-breaker so that it will depend on a ruling by the competent authorities (that is, the tax authorities) of the two contracting states, instead of an objective application of the place of effective management test. Accordingly, if Ireland and the United Kingdom maintain their position and enough other countries ratify the MLI, the residence tie-breaker would be amended to depend on a determination by Irish Revenue Commissioners and HM Revenue and Customs. It is not certain when this will take place nor what factors will be taken into account in making the determination, but Linde plc does not expect such a determination to alter its tax residency.

It is possible that in the future, whether as a result of a change in law (including the entry into force of the MLI or a change to the intention of Ireland or the United Kingdom in relation to the MLI) or the practice of any relevant tax authority or as a result of any change in the conduct of Linde plc's affairs, Linde plc could become, or be regarded as having become, resident in a jurisdiction other than the United Kingdom. If Linde plc ceases to be resident in the United Kingdom and becomes resident in another jurisdiction, it may be subject to U.K. exit charges, and could become liable for additional tax charges in the other jurisdiction (including, by way of example, dividend withholding taxes or corporate income tax charges). If Linde plc were to be treated as resident in more than one jurisdiction, it could be subject to multiple taxation. If, for example, Linde plc were considered to be a tax resident of Ireland, Linde plc could become liable for Irish corporation tax and any dividends paid by it could be subject to Irish dividend withholding tax. If Linde plc were to be treated as tax resident in Germany, it would become liable for German corporate income tax on its worldwide income and trade tax on its income allocable to its German business, and dividends paid by Linde plc to its shareholders could be subject to German dividend withholding tax, and such tax may not be fully creditable or refundable under a double tax convention or the domestic rules of a shareholder.

***The relevant criteria for Linde plc's treatment as a foreign corporation for U.S. federal tax purposes may not be met, or the IRS may not agree with the conclusion that Linde plc should be treated as such.***

Although Linde plc is incorporated in Ireland, the U.S. Internal Revenue Service (which is herein referred to as the IRS ) may assert that Linde plc should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (which is herein referred to as the Code ). Further, changes to Section 7874 of the Code or the U.S. Treasury Regulations promulgated thereunder, or interpretations thereof, could affect Linde plc's status as a foreign corporation.

For U.S. federal income tax purposes, a corporation is generally considered a U.S. domestic corporation (or U.S. tax resident) if it is organized in the United States, and a corporation is generally considered a foreign corporation (or non-U.S. tax resident) if it is not a U.S. domestic corporation. Because Linde plc is an entity incorporated in Ireland, it would generally be classified as a foreign corporation (or non-U.S. tax resident) under these rules. However, Code Section 7874 provides an exception under which a foreign incorporated entity may, in certain circumstances, be treated as a U.S. domestic corporation for U.S. federal income tax purposes.

Unless Linde plc has satisfied the substantial business activities exception, as defined in Section 7874 and described in more detail below (which is herein referred to as the Substantial Business Activities Exception ), Linde plc would be treated as a U.S. domestic corporation (*i.e.*, as a U.S. tax resident) for U.S. federal income tax purposes under Code Section 7874 if the percentage (by vote or value) of Linde plc shares considered to be held by former holders of Praxair shares after the merger by reason of holding Praxair shares for purposes of Code Section 7874 (which is herein

referred to as the Section 7874 Percentage ) is 60% or more (if, as expected, the Third Country Rule applies; under the Third Country Rule, if (i) there is an acquisition of a domestic company

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by a foreign acquiring company in which the Section 7874 Percentage is at least 60% (reduced from the general 80% threshold otherwise applicable under Section 7874 of the Code and the U.S. Treasury Regulations promulgated thereunder), and (ii) in a related acquisition, such foreign acquiring company acquires another foreign corporation and the foreign acquiring company is not subject to tax as a resident in the foreign country in which the acquired foreign corporation was subject to tax as a resident prior to the merger, then the foreign acquiring company will be treated as a U.S. domestic corporation for U.S. federal income tax purposes). In order for Linde plc to satisfy the Substantial Business Activities Exception, at least 25% of the employees (by headcount and compensation), real and tangible assets and gross income of the Linde plc expanded affiliated group must be based, located and derived, respectively, in the country in which Linde plc is a tax resident after the merger. The Substantial Business Activities Exception is not expected to be satisfied.

The Section 7874 Percentage is currently expected to be less than 60%. However, the calculation of the Section 7874 Percentage is complex, is calculated based on the facts as of the effective time of the merger, is subject to detailed regulations (the application of which is uncertain in various respects and would be impacted by changes in such regulations) and is subject to factual uncertainties (including fluctuations in the value of Praxair shares, and therefore in the value of Linde plc shares, as of the effective time of the merger). As a result, the IRS could assert that the Section 7874 Percentage is greater than or equal to 60% and that Linde plc therefore is treated for U.S. federal income tax purposes as a U.S. domestic corporation (*i.e.*, as a U.S. tax resident). If the IRS successfully challenged Linde plc's status as a foreign corporation, significant adverse tax consequences would result for Linde plc, the combined group and for certain of Linde plc's stockholders.

Linde plc is not currently expected to be treated as a domestic corporation, but it is possible that changes in U.S. federal income tax law or changes in the facts and circumstances of the transactions contemplated in the business combination agreement could alter that result. Linde plc may decide in accordance with the German Takeover Act to lower the minimum acceptance condition prior to the expiration of the offer acceptance period. However, if the number of validly tendered Linde shares is not at least 74% of all outstanding Linde shares (as of any date of determination no earlier than the date on which the results of the exchange offer as of the expiration of the additional acceptance period are finally determined), then Praxair and Linde will each have the right to terminate certain specified covenants, including the covenant to obtain regulatory approvals, which, in turn, is expected to result in the termination of the business combination. In addition, Praxair and Linde will each have the right to terminate such specified covenants, subject to tax resolution procedures agreed by the parties, if certain changes in U.S. federal income tax law occur (including certain proposed changes) that, if finalized and made effective, should cause Linde plc to be treated as a domestic corporation. But, if only the facts and circumstances of the transactions contemplated in the business combination agreement change, then Praxair and Linde may not be able to terminate such specified covenants (and, as a result, may not be able to terminate the business combination) after the expiration of the exchange acceptance period, even if Linde plc would be treated as a domestic corporation upon the completion of the business combination.

***The merger and the exchange offer may not qualify as exchanges described in Section 351(a) of the Code or as exchanges pursuant to a plan of reorganization within the meaning of Section 368(a) of the Code.***

The merger is expected to qualify as an exchange described in Section 351(a) of the Code and as an exchange pursuant to a plan of reorganization within the meaning of Section 368(a) of the Code, and the exchange offer is expected to qualify as an exchange described in Section 351(a) of the Code and may also qualify as an exchange pursuant to a plan of reorganization within the meaning of Section 368(a) of the Code. In general, assuming the merger and the exchange offer so qualify, U.S. holders of Praxair and Linde shares would, respectively and except with respect to any cash received in lieu of a fractional entitlement to Linde plc shares, recognize gain (but not loss) on the Praxair shares exchanged in the merger, and not recognize any gain, income or loss on the Linde shares

exchanged in the exchange offer. However, the requirements for such qualifications are complex and subject to legal and factual uncertainties.

It is not a condition to the closing of the business combination in the business combination agreement that the merger or the exchange offer qualify as an exchange described in Section 351(a) of the Code or as an

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exchange pursuant to a plan of reorganization within the meaning of Section 368(a) of the Code for U.S. federal income tax purposes, and none of Linde plc, Linde or Praxair intends to request a ruling from the IRS regarding the U.S. federal income tax consequences of the merger or the exchange offer. Consequently, there is no guarantee that the IRS will agree that the merger and exchange offer so qualify. If the IRS successfully challenges the treatment of the merger or the exchange offer, the tax consequences to U.S. holders may differ from those described above and, particularly with respect to Linde shareholders, adverse U.S. federal income tax consequences may result, including the recognition of taxable gain by certain holders of Linde shares (including U.S. holders and certain foreign persons).

***Transfers of Linde plc ordinary shares may be subject to Irish stamp duty.***

For the majority of transfers of Linde plc shares, there will not be any Irish stamp duty. However, Irish stamp duty will become payable in respect of certain share transfers occurring after completion of the business combination. A transfer of Linde plc shares from a seller who holds shares beneficially (*i.e.* through DTC or Clearstream) to a buyer who holds the acquired shares beneficially will not be subject to Irish stamp duty (unless the transfer involves a change in the nominee that is the record holder of the transferred shares). A transfer of Linde plc shares by a seller who holds shares directly (*i.e.* not through DTC or Clearstream) to any buyer, or by a seller who holds the shares beneficially to a buyer who holds the acquired shares directly, may be subject to Irish stamp duty (currently at the rate of 1% of the price paid or the market value of the shares acquired, if higher) payable by the buyer. A shareholder who directly holds shares may transfer those shares into his or her own broker account to be held through DTC/Clearstream (or vice versa) without giving rise to Irish stamp duty provided that the shareholder has confirmed to Linde plc's transfer agent that there is no change in the ultimate beneficial ownership of the shares as a result of the transfer and the transfer is not in contemplation of a sale of the shares.

Because of the potential Irish stamp duty on transfers of Linde plc shares, directly registered Praxair shareholders may face disadvantages if they do not open broker accounts and do not transfer their shares into such accounts as soon as possible, and in any event prior to completion of the business combination. Any person who wishes to acquire Linde plc shares after completion of the business combination may face disadvantages if they do not acquire such shares through DTC, Clearstream or another securities depository.

***Changes in tax laws and policy could adversely impact Praxair's, Linde's and the combined group's financial position or results of operations.***

Linde plc, Praxair and Linde are subject to the tax rules and regulations in the U.S., Germany, Ireland, the U.K. and other countries in which Linde plc, Praxair and Linde and their affiliates operate. Such tax rules and regulations are subject to change on a prospective or retroactive basis. Under current economic and political conditions, including the referendum in June 2016 in the U.K. in which voters approved an exit from the EU and the ongoing exit process, tax rates and policies in any jurisdiction, including the U.S., the U.K. and EU, are subject to significant change. In particular, since Linde plc is expected to be treated as U.K. tax resident, any potential changes in the tax rules applying to U.K. tax-resident companies would directly affect Linde plc.

When tax rules change, this may result in a higher tax expense and the need to make higher tax payments. In addition, changes in tax legislation may have a significant impact on Linde plc's, Praxair's and Linde's tax receivables and tax liabilities as well as on their deferred tax assets and deferred tax liabilities. Moreover, uncertainty about the tax environment in some regions may restrict Linde plc's, Praxair's or Linde's opportunities to enforce their respective rights under the law. Companies in the combined group will also operate in countries with complex tax regulations which could be interpreted in different ways. Interpretations of these regulations or changes in the tax system might have an adverse impact on the tax liabilities, profitability and business operations of Praxair, Linde or the combined group. Linde plc, Praxair, Inc. and Linde AG and their respective subsidiaries are subject to periodic audits by the tax

authorities in various jurisdictions or other review actions by the relevant financial or tax authorities. The ultimate tax outcome may differ from the amounts

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recorded in Linde plc's, Praxair's and Linde's financial statements and may materially affect their respective financial results for the period when such determination is made.

In the current environment, the U.S. Congress, the Organisation for Economic Co-operation and Development and other government agencies in jurisdictions where Linde plc and its affiliates do business have had an extended focus on issues related to the taxation of multinational corporations. One area of focus has been base erosion and profit shifting, including situations where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. Additionally, changes during the new U.S. presidential administration, including significant tax reform, could significantly change the U.S. federal income tax rules and regulations applicable to Linde plc, Praxair, Linde and their shareholders, including the U.S. federal income tax consequences applicable to the business combination. However, the prospect of tax reform, and the nature of any such reform, remains highly uncertain. Any such changes, among other possible changes in applicable tax rules and regulations, could affect the treatment of Linde plc, Praxair, Linde, or their respective affiliates or shareholders significantly.

### **Risks Relating to Linde plc Shares**

*There has been no prior public market for Linde plc shares, and the market price of Linde plc shares may be volatile.*

Linde plc will list the Linde plc shares on the NYSE and the Frankfurt Stock Exchange. It is not expected, but cannot be entirely excluded that an active public market for Linde plc shares may not develop or be sustained after the completion of the business combination. Linde plc cannot predict the extent to which a trading market will develop or how liquid that market might become.

The market price of Linde plc shares may be volatile. Broad general economic, political, market and industry factors may adversely affect the market price of Linde plc shares, regardless of Linde plc's actual operating performance. Factors that could cause fluctuations in the price of Linde plc shares may include, among other things:

actual or anticipated variations in operating results and the results of competitors;

changes in financial estimates by Linde plc or by any securities analysts that might cover Linde plc shares;

conditions or trends in the industry, including regulatory changes;

announcements by Linde plc or its competitors of significant acquisitions, strategic partnerships or divestitures;

announcements of investigations or regulatory scrutiny of Linde plc's operations or lawsuits filed against it;

additions or departures of key personnel; and

issues or sales of Linde plc shares, including sales of shares by its directors and officers or its strategic investors.

Shareholders of Linde plc may lose parts of or their entire investment, if the market price of Linde plc shares falls due to one or several of the described factors.

***Any dividend paid in respect of Linde plc shares is subject to a number of factors, including the distributions of earnings to Linde plc by its subsidiaries, the financial condition and results of operations of the combined group, as well as the distributable reserves of Linde plc.***

Although Linde plc currently expects to pay dividends, any dividend paid or changes to dividend policy are within the discretion of the board of directors and will depend upon many factors, including distributions of earnings to Linde plc by its subsidiaries, the financial condition and results of operations of the combined group, legal requirements, including limitations imposed by Irish law, terms of any outstanding shares of preferred



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stock, restrictions in any debt agreements that limit its ability to pay dividends to shareholders, restrictions in any series of preferred stock and other factors the board of directors deems relevant. As a holding company, Linde plc will conduct substantially all of its operations through its subsidiaries, such entities will generate substantially all of its operating income and cash flow, and Linde plc's ability to pay dividends is limited under Irish law to the extent it has distributable reserves. Distributable reserves means the accumulated realized profits less accumulated realized losses. In addition, no distribution or dividend may be made if the net assets of Linde plc are not, or would not be after giving effect to such distribution or dividend, equal to, or in excess of, the aggregate of Linde plc's called-up share capital plus undistributable reserves. Linde plc's ability to pay dividends in the future is affected by a number of factors, principally on its ability to receive sufficient dividends from its subsidiaries. The ability of such entities to make dividend payments to Linde plc depends largely on their financial condition and ability to generate profits. In addition, because Linde plc's subsidiaries are separate and distinct legal entities, they will have no obligation to pay any dividends or to lend or advance to Linde plc funds and may be restricted from doing so by contract, including other financing arrangements, charter provisions, other shareholders or the applicable laws and regulations of the various countries in which they operate. Additionally, claims of the creditors of Linde plc's subsidiaries have priority over any claims that Linde plc may have with respect to the assets of its subsidiaries. Further, the ability of Linde plc to direct dividend payments from Linde AG may be limited during any period prior to Linde AG becoming a wholly-owned indirect subsidiary of Linde plc. Any delay in implementing the post-completion reorganization could adversely impact the payment of dividends from Linde AG to Linde plc.

Linde plc will not have distributable reserves immediately following completion of the business combination. Until such time as Linde plc creates distributable reserves through dividends from its subsidiaries, the creation of distributable reserves of Linde plc (by reducing its share premium) requires the approval of the Irish High Court and, in connection with seeking such court approval, we are seeking the approval of Praxair shareholders on a non-binding advisory basis at the special meeting of shareholders of Praxair, Inc. and approval on a non-binding advisory basis is provided by the Linde shareholders as part of the offer acceptance. Linde plc is not aware of any reason why the Irish High Court would not approve the creation of distributable reserves, however, the issuance of the required order is a matter for the discretion of the Irish High Court. There will also be no guarantee that the non-binding advisory approvals by Praxair shareholders will be obtained. In the event that distributable reserves of Linde plc are not created in this way, distributions by way of dividends, share repurchases or otherwise will generally not be permitted under Irish law until such time as the group has created sufficient distributable reserves in the audited statutory financial statements of Linde plc as a result of its business activities.

***The rights and responsibilities of the shareholders of Linde plc will be governed by Irish law and the Linde plc constitution, which will differ in some respects from the rights and responsibilities of shareholders under Delaware or German law and the current organizational documents of Praxair, Inc. and Linde AG.***

Following the completion of the business combination, Linde plc's corporate affairs will be governed by the Linde plc constitution and the laws governing companies incorporated in Ireland. The rights of Linde plc shareholders and the responsibilities of members of the Linde plc board of directors under the laws of Ireland will differ from the rights of shareholders and the responsibilities of a company's board of directors under the laws of Delaware and the supervisory board and executive board of a company under German law.

Material differences in the rights of Praxair shareholders prior to the business combination, on the one hand, and the rights of Linde plc shareholders after the business combination, on the other hand, will include, among others, differences with respect to the following:

distributions, dividends, repurchases and redemptions;

dividends in shares / bonus issues;

the election and removal of directors;

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the fiduciary and statutory duties of directors;

conflicts of interests of directors;

the indemnification of directors and officers and other limitations on director liability;

the convening of annual meetings of shareholders and special shareholder meetings;

notice provisions for meetings;

the quorum for shareholder meetings;

the exercise of voting rights;

shareholder suits;

rights of dissenting shareholders;

anti-takeover measures; and

provisions relating to the ability to amend the constitution.

Material differences in the rights of Linde shareholders prior to the business combination, on the one hand, and the rights of Linde plc shareholders after the business combination, on the other hand, will include, among others, the following:

distributions, dividends, repurchases and redemptions;

the election and removal of directors;

the fiduciary and statutory duties of directors;

conflicts of interests of directors;

the indemnification of directors and officers and other limitations on director liability,

the convening of annual meetings of shareholders and special shareholder meetings;

notice provisions for meetings;

the quorum for shareholder meetings;

the exercise of voting rights;

shareholder suits;

rights of dissenting shareholders;

anti-takeover measures; and

provisions relating to the ability to amend the constitution.

***Praxair shareholders and Linde shareholders will have a reduced ownership and voting interest after the business combination and will exercise less influence over management of the combined group.***

After the completion of the business combination, Praxair shareholders and Linde shareholders will own a smaller percentage of Linde plc than they currently own of Praxair, Inc. and Linde AG, respectively. Upon completion of the business combination, and assuming that all of the issued Linde shares are exchanged in the exchange offer, former Praxair shareholders and Linde shareholders will each own approximately 50% of the outstanding Linde plc shares on a fully diluted basis, i.e., taking into consideration shares still to be issued, immediately after the business combination. Consequently, Praxair shareholders, as a group, will have reduced ownership and voting power in the combined group compared to their current ownership and voting power in Praxair, Inc., and Linde shareholders, as a group, will have reduced ownership and voting power in the combined

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group compared to their current ownership and voting power in Linde AG and each, as a group, could exercise less influence over the management and policies of the combined group than they currently have over the management and policies of Praxair and Linde, respectively.

***Shareholders of Linde plc could be diluted in the future if Linde plc increases its issued share capital because of the dis-application of statutory preemption rights. In addition, shareholders in certain jurisdictions, including the United States, may not be able to exercise their pre-emption rights even if those rights have not been dis-applied.***

As a matter of Irish law, holders of Linde plc shares will have a pre-emption right with respect to any issuance of Linde plc shares for cash consideration or the granting of rights to subscribe for Linde plc shares for cash consideration, unless such pre-emption right is dis-applied, in whole or in part, either in the Linde plc constitution or by resolution of the shareholders of Linde plc at a general meeting of shareholders or otherwise. It is intended that the Linde plc constitution that will be in effect upon the completion of the business combination will dis-apply the statutory pre-emption rights to the maximum extent permitted by Irish law, *i.e.*, the Linde plc board of directors will be permitted to issue up to all of Linde plc's authorized but unissued share capital on a non pre-emptive basis for cash consideration at any stage during the period of five years after the date of completion of the business combination. Accordingly, the board of directors will have discretion to issue up to all of Linde plc's authorized but unissued share capital for cash consideration without regard to pre-emption rights for a period of five years from the date of completion of the business combination. In addition, even if the dis-application of pre-emption rights contained in the Linde plc constitution expires (and is not renewed by shareholders at general meeting) or is terminated by the shareholders of Linde plc in a general meeting, due to laws and regulations in certain jurisdictions outside Ireland, shareholders in such jurisdictions may not be able to exercise their pre-emption rights unless Linde plc takes action to register or otherwise qualify the rights offering under the laws of that jurisdiction. For example, in the United States, U.S. holders of Linde plc shares may not be able to exercise pre-emption rights unless a registration statement under the Securities Act is declared effective with respect to the Linde plc shares issuable upon exercise of such rights or an exemption from the U.S. registration requirements is available. If shareholders in such jurisdictions are unable to exercise their pre-emption rights, their ownership interest in Linde plc would be diluted. Any future issuance of Linde plc shares or debt instruments convertible into Linde plc shares where pre-emption rights of Linde plc shareholders are not available or are excluded would result in the dilution of existing Linde plc shareholders and reduce the earnings per Linde plc share, which could have a material adverse effect on the price of Linde plc shares.

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**FORWARD-LOOKING STATEMENTS**

Certain statements and assumptions in this document contain or are based on forward-looking information. Forward-looking statements are based on Praxair's, Linde's or Linde plc's beliefs and assumptions on the basis of factors currently known to them. These forward-looking statements include terms and phrases such as: anticipate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast, and similar. Forward-looking statements include statements regarding benefits of the proposed business combination, integration plans and expected synergies and cost reductions, anticipated future growth, financial and operating performance and results. Forward-looking statements involve significant risks and uncertainties that may cause actual results to be materially different from the results predicted or expected. No assurance can be given that these forward-looking statements will prove accurate and correct, or that projected or anticipated future results will be achieved. All forward-looking statements included in this document are based upon information available to Praxair, Linde and Linde plc on the date hereof, and each of Praxair, Linde and Linde plc disclaims and does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than Praxair, Linde or Linde plc has described. All such factors are difficult to predict and beyond Praxair's, Linde's or Linde plc's control. These factors include:

failure to obtain applicable governmental or regulatory approvals in a timely manner or otherwise, or being required to accept conditions, including divestitures, that could reduce the anticipated benefits of the proposed business combination as a condition to obtaining regulatory approvals;

the ability to implement the business combination and to satisfy applicable closing conditions;

the ability to integrate the operations of Praxair and Linde, the ultimate outcome of the combined group's commercial and operating strategy, including the ultimate ability to realize synergies and cost reductions;

operating costs, customer loss or business disruption being greater than expected in anticipation of, or, if consummated, following, the business combination;

the effects of a combination of Praxair and Linde, including the combined group's future financial position, operating results, strategy and plans;

the combined group's, Praxair's and Linde's ability to maintain effective internal controls;

unanticipated litigation, claims or assessments, as well as the outcome/impact of any current/pending litigation, claims or assessments, including in connection with a potential post-completion reorganization;

potential security violations to the combined group's, Praxair's and Linde's information technology systems;

the investment performance of Praxair's and Linde's pension plan assets, which could require Praxair and Linde to increase their pension contributions;

changes in legislation or governmental regulations affecting the combined group, Praxair and Linde; international, national or local economic, social or political conditions or other factors such as currency exchange rates, inflation rates, recessionary or expansive trends, taxes and regulations and laws that could adversely affect Praxair and Linde or their clients; and

other factors discussed elsewhere in this document.

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Accordingly, investors are strongly advised to read this entire document, including the sections entitled: Summary, Risk Factors, Recent Developments, Business and Certain Information about Linde plc, Business and Certain Information About Praxair, Management's Discussion and Analysis of Financial Condition and Results of Operations of Praxair, Business and Certain Information about Linde and Management's Discussion and Analysis of Financial Condition and Results of Operations of Linde. These sections include more detailed descriptions of factors that might have an impact on the business of the combined group, Praxair and Linde and the market in which they operate.



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**RECENT DEVELOPMENTS**

***Formation of Certain Companies in Preparation of the Business Combination***

Linde plc was formed on April 18, 2017. On May 26, 2017, it formed Zamalight Holdco LLC, a Delaware limited liability company, as a wholly-owned subsidiary. Immediately following its formation Zamalight Holdco formed Merger Sub, a Delaware corporation, as a wholly-owned subsidiary. If the merger is completed, Merger Sub will merge with and into Praxair, Inc., with Praxair, Inc. surviving the merger. On July 26, 2017, Linde plc formed Linde Holding GmbH, a German limited liability company (*GmbH*) domiciled in Germany, which on July 28, 2017, in turn formed Linde Intermediate Holding AG, a German stock corporation (*AG*) domiciled in Germany to facilitate the settlement of the exchange offer and a post-completion reorganization with respect to Linde. These entities have not conducted any material activities other than those incidental to their formation and the matters contemplated by the business combination agreement. Therefore, there have been no other significant changes in the financial condition, results of operations or general course of business of Linde plc and its subsidiaries since the date of Linde plc's incorporation.

***Business Combination Agreement***

On June 1, 2017, Linde plc, Praxair, Inc., Linde AG, Zamalight Holdco and Merger Sub entered into a business combination agreement pursuant to which Praxair, Inc. will become an indirect subsidiary of Linde plc through the merger and Linde AG will become an indirect subsidiary of Linde plc shortly after the exchange offer. In connection therewith, on June 1, 2017, Linde plc announced its intention to commence a voluntary public takeover offer in the form of the exchange offer for all Linde shares. On August 10, 2017, Linde plc, Praxair, Inc., Linde AG, Zamalight Holdco and Merger Sub entered into an amendment to the business combination agreement to clarify the treatment of fractional shares and to make other administrative modifications to the business combination agreement.

***Recent Developments Relating to Praxair***

Since June 30, 2017 until the date of this document no events with material impact on Praxair's financial condition and results of operations have occurred.

For a description of developments during the six months ended June 30, 2017, see Management's Discussion and Analysis of Financial Condition and Results of Operations of Praxair.

***Recent Developments Relating to Linde***

Since June 30, 2017 until the date of this document no events with material impact on Linde's financial condition and results of operations have occurred.

For a description of developments during the six months ended June 30, 2017, see Management's Discussion and Analysis of Financial Condition and Results of Operations of Linde.

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**GENERAL INFORMATION**

**Presentation of Financial Information**

This document contains:

certain audited balance sheet information of Linde plc (formerly known as Zamalight plc) as of April 18, 2017, prepared in accordance with U.S. GAAP, derived from Linde plc's audited balance sheet that is included herein beginning on page F.1-1, and certain unaudited consolidated financial information of Linde plc as of June 30, 2017 and for the period April 18, 2017 to June 30, 2017, prepared in accordance with U.S. GAAP, derived from Linde plc's unaudited consolidated financial statements that are included herein beginning on page F.1-7;

certain unaudited pro forma condensed combined financial information as of and for the six months ended June 30, 2017, and for the fiscal year ended December 31, 2016, prepared in accordance with U.S. GAAP, included herein beginning on page 236;

certain audited consolidated financial information of Praxair as of December 31, 2016 and 2015, and for each of the fiscal years in the three-year period ended December 31, 2016, prepared in accordance with U.S. GAAP, derived from Praxair's audited consolidated financial statements that are included herein beginning on page F.2-27, and certain unaudited condensed consolidated financial information of Praxair as of June 30, 2017 and for the three and six months ended June 30, 2017 and 2016, prepared in accordance with U.S. GAAP, derived from Praxair's unaudited condensed consolidated financial statements that are included herein beginning on page F.2-2; and

certain audited consolidated financial information of Linde as of December 31, 2016 and 2015, and for each of the fiscal years in the three-year period ended December 31, 2016, prepared in accordance with IFRS as issued by the IASB, derived from Linde's audited consolidated financial statements that are included herein beginning on page F.3-15, and certain unaudited condensed consolidated financial information of Linde as of June 30, 2017 and for the three and six months ended June 30, 2017 and 2016, prepared in accordance with IFRS as issued by the IASB, derived from Linde's unaudited condensed consolidated financial statements that are included herein beginning on page F.3-2.

The financial information set forth in this document has been rounded for ease of presentation. Accordingly, in certain cases, the sum of the numbers in a column in a table may not conform to the total figure given for that column. Negative amounts are presented in parentheses.

For additional information on the presentation of financial information in this document, see the financial statements of Linde plc beginning on page F.1-1 of this document, the condensed consolidated financial statements of Praxair beginning on page F.2-2 of this document and the consolidated financial statements of Praxair beginning on page F.2-27 of this document, the condensed consolidated financial statements of Linde beginning on page F.3-2 of this document and the consolidated financial statements of Linde beginning on page F.3-17 of this document.

**Sources of Industry and Market Data**

Unless otherwise indicated, the information contained in this document on the market environment, market developments, growth rates, market trends and competition in the market in which Linde plc, Praxair and Linde operate is taken from publicly available sources, including third-party sources, or reflects Linde plc's, Praxair's and Linde's estimates that are principally based on information from publicly available sources. Linde plc confirms that the information included in this document that has been sourced from a third party has been accurately reproduced and that, as far as Linde plc is aware and was able to ascertain from such information, no facts have been omitted that would render the reproduced information inaccurate or misleading.

**Table of Contents****Currency Presentation**

All references in this document to EUR , euro and refer to the legal currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended, and all references to U.S. dollars, U.S.\$ and \$ refer to the legal currency of the United States of America.

**Exchange Rates**

The table below shows the low, high, average and period end noon buying rates in The City of New York for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York for U.S.\$ per 1.00. The average is computed using the noon buying rate on the last business day of each month (for which data was presented) during the period indicated.

<b>Period</b>	<b>Exchange Rates</b>			<b>Period End</b>
	<b>Low</b>	<b>High</b>	<b>Average</b>	
	<b>(U.S. dollars per euro)</b>			
2016	1.0375	1.1516	1.1029	1.0552
2015	1.0524	1.2015	1.1032	1.0859
2014	1.2101	1.3927	1.3210	1.2101
2013	1.2774	1.3816	1.3303	1.3779
2012	1.2062	1.3463	1.2909	1.3186

The table below shows the high and low noon buying rates in The City of New York for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York for U.S.\$ per 1.00 for each month during the six months prior to the date of this document.

<b>Period</b>	<b>Exchange Rates</b>			<b>Period End</b>
	<b>Low</b>	<b>High</b>	<b>Average</b>	
	<b>(U.S. dollars per euro)</b>			
August 1, 2017 - August 4, 2017	1.1754	1.1880	1.1824	1.1754
July 2017	1.1336	1.1826	1.1530	1.1826
June 2017	1.1124	1.1420	1.1233	1.1411
May 2017	1.0869	1.1236	1.1050	1.1236
April 2017	1.0606	1.0941	1.0714	1.0895
March 2017	1.0514	1.0882	1.0691	1.0698
February 2017	1.0551	1.0802	1.0650	1.0618

On August 4, 2017, the exchange rate for U.S. dollars was 1.00 = USD 1.1754.

The rates presented above may differ from the actual rates used in the preparation of Linde plc's and Linde's financial statements and other financial information appearing in this document. The inclusion of such rates is not meant to suggest that the U.S. dollar amounts actually represent euro amounts or that such amounts could have been converted to U.S. dollars at any particular rate, if at all.

**General and Specific Information About the Linde plc Shares**

***Voting Rights***

The shares into which Praxair shares will be converted in the merger and which will be exchanged for Linde shares in the exchange offer are Linde plc shares, nominal value 0.001 per share. The holders of Linde plc shares are entitled to one vote for each share upon all matters presented to the Linde plc shareholders. Subject to

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any preferences granted to other classes of Linde plc securities that may be outstanding in the future (including any preferred shares), there are no voting right restrictions or preferences with respect to shareholders of Linde plc. For a more detailed discussion, see [Description of Linde plc Shares](#) and [Comparison of Shareholder Rights Before and After the Business Combination](#).

***Dividend and Liquidation Rights***

The Linde plc shares to be issued to Praxair shareholders in replacement of their Praxair shares that will be cancelled in the merger, and which will be issued to Linde shareholders in exchange for their Linde shares in the exchange offer, will carry full dividend rights following their issuance. The holders of Linde plc shares are entitled to receive such dividends as the Linde plc board of directors from time to time may declare out of funds legally available. Entitlement to dividends is subject to the preferences granted to other classes of securities Linde plc may have outstanding in the future, including any preferred shares, and may be restricted by the terms of Linde plc's future debt instruments. In the event of liquidation of Linde plc, holders of Linde plc shares are entitled to share in any assets of Linde plc remaining after satisfaction in full of its liabilities and satisfaction of such dividend and liquidation preferences of holders of other classes of securities of Linde plc, including any preferred shares. Linde plc may not issue any fractions of shares upon any occasion of the declaration, issuance and distribution of a dividend payable in shares; all such fractions to which any shareholder might otherwise be entitled in connection with any such declaration, issuance, distribution or exchange will be eliminated and disposed of by such method, authorized, permitted or not prohibited by law, as may be determined by the Linde plc board of directors. For a more detailed discussion, see [Dividends and Dividend Policy](#) and [Description of Linde plc Shares](#).

***Form and Certification; Transfer Agent and Registrar***

Linde plc shares are uncertificated registered shares. On the basis of a resolution of the board of directors of Linde plc to issue the Linde plc shares, these shares will be created in book-entry form by the transfer agent and registrar of Linde plc. The Linde plc shares will be deposited upon issuance in a securities account on behalf of The Depository Trust Company, a limited purpose trust company in New York, New York (which is herein referred to as "DTC"), and registered in the name of DTC's nominee, Cede & Co., whereby DTC's nominee will become the legal owner of the Linde plc shares. With respect to the Linde plc shares issued as exchange offer consideration for the tendered Linde shares, DTC will credit Clearstream's DTC participant account with such shares and Clearstream will in turn credit interests in such shares to the account of the settlement agent at Clearstream in favor of the former Linde shareholders. The settlement agent will arrange for the transfer of interests in the Linde plc shares through Clearstream to the custodian banks.

DTC will act as third party depository for Clearstream and will hold such shares on behalf of the Linde shareholders through a custodial chain between DTC, Clearstream and the custodian banks.

***Currency of the Issuance***

The Linde plc shares are denominated in euro.

***ISIN/WKN/Ticker Symbol***

The International Securities Identification Number, the German Securities Code, and the Ticker Symbol of the Linde plc shares will be as follows:

Edgar Filing: PRAXAIR INC - Form DEFM14A

International Securities Identification Number (ISIN)	IE00BZ12WP82
German Securities Code ( <i>Wertpapierkennnummer</i> ) (WKN)	A2D SYC
Ticker Symbol	LIN

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### ***Existing Quotation***

Linde plc shares are not currently listed or traded on any exchange.

### ***Share Transfer Restrictions***

Prior to completion of the business combination and subject to applicable law, no shareholder shall transfer its shares to any person, other than another Linde plc shareholder or shareholders, unless they have obtained the prior written approval of all other Linde plc shareholders. The board has the right to decline to register or suspend registration of a transfer of Linde plc shares. Upon completion of the business combination, Linde plc shares shall be freely transferrable, subject to the board's right to refuse to register a transfer in the following circumstances:

the instrument of transfer is not duly stamped, if required, and lodged, accompanied by the certificate (if any) for the shares to which it relates and such other evidence as the Linde plc board of directors may reasonably require to show the right of the transferor to make the transfer;

the instrument of transfer is in respect of more than one class of share;

the instrument of transfer is in favor of more than four persons jointly;

the Linde plc board of directors is not satisfied that all applicable consents, authorizations, permissions or approvals of any governmental body or agency in Ireland or any other applicable jurisdiction required to be obtained under relevant law prior to such transfer have been obtained; or

the Linde plc board of directors is not satisfied that the transfer would not violate the terms of any agreement to which Linde plc (or any of its subsidiaries) and the transferor are party or subject.

### ***Stock Exchange Listings***

Prior to the time of delivery of the Linde plc shares pursuant to the exchange offer and the merger, Linde plc will apply to admit its shares to listing and trading on the NYSE (trading in U.S. dollars), subject to official notice of issuance, and will apply to admit its shares to listing and trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange and the sub-segment thereof with additional post-admission obligations (*Prime Standard*) (trading in euros).

All conditions to the exchange offer must be satisfied on or prior to the expiration of the acceptance period on October 24, 2017, 24:00 hours, Central European Time (or waived until one working day prior to the end of the acceptance period), except for the regulatory condition. The regulatory condition must be satisfied within twelve months following the end of the acceptance period, *i.e.*, by October 24, 2018. If all conditions have been satisfied by the end of the additional acceptance period to the exchange offer, the exchange offer will be consummated without undue delay thereafter and Linde plc shares are expected to commence trading on the NYSE and the Frankfurt Stock Exchange on or shortly after that date. If the regulatory condition is not satisfied by the end of the additional acceptance period to the exchange offer (or waived until one working day prior to the end of the acceptance period),



completion of the business combination will be delayed until satisfaction of the regulatory condition; admission to, and commencement of, trading will be delayed accordingly.

The listing of the Linde plc shares on the regulated market of the Frankfurt Stock Exchange and the sub-segment thereof with additional post-admission obligations (*Prime Standard*) is subject to the admission of the Linde plc shares on the basis of an additional admission prospectus to be approved by the CBI as competent authority of Linde plc's home member state (or to the extent that the CBI transfers the function of approving the prospectus in accordance with Regulation 40 of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, BaFin as competent authority of Linde plc's host member state) or a document containing information which is regarded by the competent authority as being equivalent to that of a prospectus.

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**Certain Defined Terms**

In this document, unless the context otherwise requires:

ADR refers to an American Depositary Receipt evidencing an American Depositary Share which represents the beneficial interest in one tenth of a Linde share deposited with Deutsche Bank Shareholder Services;

BaFin refers to the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht);

business combination refers to the merger and the exchange offer, together;

business combination agreement refers to the business combination agreement, dated as of June 1, 2017, as amended by Amendment No. 1, dated as of August 10, 2017, by and among Praxair, Inc., Linde AG, Linde plc, Zamalight Holdco and Merger Sub, as the same may be amended from time to time;

business day refers to any day other than a Saturday, Sunday or other day on which banks in Frankfurt am Main, Germany, or New York, New York, are generally closed, except when the context requires otherwise;

CBI refers to the Central Bank of Ireland;

Central European time refers to the local time in Frankfurt am Main, Germany (Central European Summer Time or Central European Time, as applicable);

combined group refers to Linde plc, together with its subsidiaries, following completion of the business combination;

Eastern Time refers to the local time in New York, New York, United States (Eastern Daylight Time or Eastern Standard Time, as applicable);

Engineering Division refers to Linde's engineering division;

EU refers to the European Union;

EUR, or euro refers to the euro, the legal currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended;

Exchange Act refers to the U.S. Securities Exchange Act of 1934, as amended;

exchange offer refers to the exchange offer to be made by Linde plc for Linde shares;

German exchange offer document refers to the German language exchange offer document;

HSR Act refers to the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

Linde or The Linde Group refers to Linde AG and its direct and indirect consolidated subsidiaries;

Linde AG refers to Linde Aktiengesellschaft, a stock corporation (Aktiengesellschaft) incorporated under the laws of Germany, registered with the commercial register of the local court of Munich under number HRB 169850;

Linde Gases Division refers to Linde's gases division;

Linde executive board refers to the Executive Board of Linde AG;

Linde shareholders refers to the holders of Linde shares;

Linde shares refers to the ordinary shares of Linde AG;

Linde supervisory board refers to the Supervisory Board of Linde AG;

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merger refers to the merger of Merger Sub with and into Praxair, Inc., with Praxair, Inc. surviving the merger, in accordance with the business combination agreement;

Linde plc refers to Linde plc (formerly known as Zamalight plc), a public limited company incorporated under the laws of Ireland, with registration number 602527 and having its registered office at Ten Earlsfort Terrace, Dublin 2, D02 T380, Ireland and its principal executive offices at The Priestley Centre, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey GU2 7XY, United Kingdom;

Linde plc articles of association refers to the articles of association of Linde plc as they will be in effect as of completion of the business combination;

Linde plc board of directors refers to the board of directors of Linde plc as of completion of the business combination;

Linde plc constitution refers to the Linde plc memorandum of association and Linde plc articles of association as they will be in effect as of completion of the business combination;

Linde plc memorandum of association refers to the memorandum of association of Linde plc as it will be in effect as of completion of the business combination;

Linde plc shares refers to the ordinary shares of Linde plc;

Linde plc shareholders refers to holders of Linde plc shares;

Praxair refers to Praxair, Inc., a Delaware corporation, and its direct and indirect consolidated subsidiaries;

Praxair board of directors refers to the board of directors of Praxair, Inc.;

Praxair, Inc. refers to Praxair, Inc., a Delaware corporation, registered with the Delaware Division of Corporations under File number 2176449;

Praxair shares refers to the common shares of Praxair, Inc.;

Praxair shareholders refers to holders of Praxair shares;

Praxair special meeting refers to the Praxair, Inc. special meeting of shareholders being held on September 27, 2017;

SEC refers to the U.S. Securities and Exchange Commission;

Securities Act refers to the U.S. Securities Exchange Act of 1933, as amended;

U.S. dollars, U.S.\$ and \$ refers to the legal currency of the United States of America; and

working day refers to any day other than a Sunday or a federal public holiday in Germany. Other defined terms used throughout this document are indicated in the text.

### **Where You Can Find More Information; Documents Available for Inspection**

Linde AG publishes its annual and interim reports and other information on its website [www.linde.com](http://www.linde.com). Information contained in or otherwise accessible through this website is not a part of this document.

Praxair, Inc. files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document that it files at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about its public reference room. SEC filings are also available to the public at the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, you may inspect these annual, quarterly and current reports, and other information Praxair, Inc. files with the SEC at the offices of Praxair, Inc. at 10 Riverview Drive, Danbury, Connecticut 06810-6268.

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Linde plc has filed a Registration Statement on Form S-4 under the Securities Act with the SEC with respect to the Linde plc shares to be issued in the merger and the exchange offer. This document constitutes a proxy statement of Praxair, Inc. that also constitutes a prospectus of Linde plc and a U.S. offering prospectus of Linde plc to be used in connection with the exchange offer. This document does not contain all of the information set forth in the Registration Statement on Form S-4 because certain parts of the Registration Statement on Form S-4 are omitted in accordance with the rules and regulations of the SEC. The Registration Statement on Form S-4 and its exhibits are available for inspection and copying as set forth above.

***Incorporation of Certain Documents by Reference***

The SEC allows Linde plc and Praxair, Inc. to incorporate by reference certain Praxair information filed with the SEC, which means that Linde plc and Praxair, Inc. can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this document. With respect to this document, information that Praxair, Inc. later files with the SEC and that is incorporated by reference will automatically update and supersede information in this document and information previously incorporated by reference into this document.

Each document incorporated by reference into this document is current only as of the date of such document, and the incorporation by reference of such document is not intended to create any implication that there has been no change in the affairs of Linde plc, Praxair or Linde since the date of the relevant document or that the information contained in such document is current as of any time subsequent to its date. Any statement contained in such incorporated documents is deemed to be modified or superseded for the purpose of this document to the extent that a subsequent statement contained in another document that is incorporated by reference into this document at a later date modifies or supersedes that statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this document.

This document incorporates by reference the documents listed below, which Praxair, Inc. has previously filed with the SEC. These documents contain important information about Praxair and its financial condition, business and results.

<b>Praxair, Inc. SEC Filings (File No. 001-11037)</b>	<b>Period</b>
Annual Report on Form 10-K	For the fiscal year ended December 31, 2016 (filed on March 1, 2017).
Definitive Proxy Statement	For Praxair's 2017 Annual Meeting (filed on March 15, 2017).
Current Reports on Form 8-K	Filed on April 28, 2017, June 1, 2017, July 5, 2017 and August 10, 2017.
Quarterly Reports on Form 10-Q	For the quarterly periods ended March 31, 2017 (filed on April 27, 2017) and June 30, 2017 (filed on July 27, 2017).
Description of Praxair shares	Set forth under the caption Item 11. Description of Registrant's Securities to Be Registered in Praxair, Inc.'s Registration Statement on Form 10 dated March 10, 1992, as amended by Praxair, Inc.'s Form 8, dated May 22, 1992, Form 8, dated June 9, 1992 and Form 8,

dated June 12, 1992.

Notwithstanding the foregoing, information furnished by Praxair on any Current Report on Form 8-K, including the related exhibits, that, pursuant to and in accordance with the rules and regulations of the SEC, is not

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deemed filed for purposes of the Exchange Act will not be deemed to be incorporated by reference into this document unless expressly provided otherwise in such Current Report on Form 8-K.

This document also incorporates by reference additional documents that Praxair, Inc. files with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act between the date of this document and the date of the Praxair special meeting (with respect to the proxy statement/prospectus) or the consummation of the exchange offer (with respect to the exchange offer prospectus), or the date that the business combination agreement is terminated. Such documents are considered to be a part of this document, effective as of the date such documents are filed. In the event of conflicting information in these documents, the information in the latest filed document should be considered correct.

Praxair, Inc. has supplied all information contained or incorporated by reference in this document relating to Praxair, and Linde AG has supplied all information contained in this document relating to Linde. Both Praxair, Inc. and Linde AG have contributed information relating to the exchange offer and the merger.

You can obtain any of the documents incorporated by reference into this document from the SEC, through the SEC's website at [www.sec.gov](http://www.sec.gov). Copies of documents that Praxair, Inc. files with the SEC are also available at the offices of Praxair, Inc., 10 Riverview Drive, Danbury, Connecticut 06810-6268.

***Documents Available for Inspection***

Until the completion of the business combination, or the earlier termination of the business combination agreement, the following documents, or copies thereof, may be inspected during regular business hours at Linde plc's registered office at Ten Earlsfort Terrace, Dublin 2, D02 T380, Ireland:

the Linde plc constitution;

the audited balance sheet of Linde plc (formerly known as Zamalight plc) as of April 18, 2017, and the unaudited financial statements as of and for the period ended June 30, 2017, prepared in accordance with U.S. GAAP;

certain unaudited pro forma condensed combined financial information as of and for the six months ended June 30, 2017, and for the fiscal year ended December 31, 2016, prepared in accordance with U.S. GAAP;

Praxair's audited consolidated financial statements as of December 31, 2016 and 2015, and for each of the fiscal years in the three-year period ended December 31, 2016, prepared in accordance with U.S. GAAP, and Praxair's unaudited condensed consolidated financial statements as of June 30, 2017 and for the three and six months ended June 30, 2017 and 2016, prepared in accordance with U.S. GAAP;

Linde's audited consolidated financial statements as of December 31, 2016 and 2015, and for each of the fiscal years in the three-year period ended December 31, 2016, prepared in accordance with IFRS as issued by the IASB, and Linde's unaudited condensed consolidated financial statements as of June 30, 2017 and for



the three and six months ended June 30, 2017 and 2016, prepared in accordance with IFRS as issued by the IASB;

the opinions of the financial advisors of Praxair, Inc. and Linde AG; and

the business combination agreement.

The listed documents will also be available in electronic form for twelve months after publication of this document at Linde plc's website at [www.lindepraxairmerger.com](http://www.lindepraxairmerger.com). Information contained on Linde plc's website does not constitute part of this document and is not incorporated by reference into this document.

### **Potential Interests**

Linde plc has entered into the business combination agreement with Praxair, Inc., Linde AG, Zamalight Holdco and Merger Sub. Such other parties to the business combination agreement are persons acting jointly with

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Linde plc pursuant to Section 2(5) sentence 1 of the German Takeover Act and have an interest in the completion of the business combination.

Pursuant to Section 2(5) sentence 1 of the German Takeover Act, in conjunction with Section 2(5) sentence 3 of the German Takeover Act subsidiaries of Linde plc (*i.e.*, Zamalight Holdco, Merger Sub, Linde Holding GmbH and Linde Intermediate Holding AG) are persons acting jointly with Linde plc and also have an interest in the completion of the business combination.

Bank of America Merrill Lynch International Limited Zweigniederlassung Frankfurt am Main (which is herein referred to as BofA Merrill Lynch ), Credit Suisse, Goldman Sachs AG (which is herein referred to as Goldman Sachs ), Morgan Stanley Bank AG and its affiliates (which is herein referred to as Morgan Stanley ) and Perella Weinberg Partners UK LLP (which is herein referred to as Perella Weinberg ) act as financial advisors to Linde AG or Praxair, Inc. in connection with the proposed business combination and will receive fees for such services. A portion of the fees of Credit Suisse, Morgan Stanley, and Perella Weinberg and all of Goldman Sachs fees are contingent upon consummation of the business combination.

Some of the Praxair directors, executive officers and designees to the pre-closing Linde plc board of directors and some of the Linde executive board members, supervisory board members, and designees to the pre-closing Linde plc board of directors may have interests in the business combination that are different from, or in addition to, the interests of Praxair shareholders and Linde shareholders, respectively. In the case of Praxair directors, executive officers and designees to the pre-closing Linde plc board of directors these interests include the continued service of certain directors and executive officers following the closing of the business combination, the treatment of stock options, restricted stock units and other equity-based awards, severance benefits available to certain Praxair executive officers and designees to the pre-closing Linde plc board of directors upon a qualifying termination following the business combination, treatment of cash amounts deferred or contributed pursuant to Praxair's compensation deferral programs and retirement plans, and the indemnification of Praxair directors, executive officers and designees to the pre-closing Linde plc board of directors by Linde plc. In the case of Linde supervisory board members, executive board members and designees to the pre-closing Linde plc board of directors these interests include the membership of board members on Linde plc's board of directors, the treatment of equity awards, investment shares and deferral shares, the release from the commitment for Linde supervisory board members to acquire and hold Linde shares and other adjustments to the share ownership policy for Linde supervisory board members, as well as severance benefits, compensation under the retention scheme for certain key employees and the indemnification of Linde supervisory board members and executive board members by Linde plc and of designees to the pre-closing Linde plc board of directors by Linde AG and Linde plc.

Other than as described in this section, Linde plc is not aware of any substantial interest in the business combination of another party other than interest as a Praxair or Linde shareholder generally nor is it aware of any conflict of interest.

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**THE PRAXAIR SPECIAL MEETING**

**Time, Place and Purpose of the Praxair Special Meeting**

The Praxair special meeting is scheduled to be held on September 27, 2017, at 10:00 a.m., Eastern Time, at Praxair Headquarters, 10 Riverview Drive, Danbury, Connecticut 06810-6268. The purpose of the Praxair special meeting is for Praxair shareholders:

to consider and vote on the proposal to adopt the business combination agreement and approve the transactions contemplated thereby (which is herein referred to as the "business combination proposal");

to consider and vote on a non-binding advisory proposal to approve the reduction of the share premium account of Linde plc to allow for the creation of distributable reserves of Linde plc, which are generally required under Irish law in order to allow Linde plc to make distributions and to pay dividends and repurchase or redeem shares following completion of the business combination (which is herein referred to as the "distributable reserves creation proposal");

to consider and vote on a non-binding advisory proposal to approve the compensation that may become payable to Praxair's named executive officers in connection with the business combination (which is herein referred to as the "compensation proposal"); and

to consider and vote on any proposal that may be made by the chairman of the Praxair board of directors to adjourn or postpone the special meeting in order to (1) solicit additional proxies with respect to the above-mentioned proposals and/or (2) hold the special meeting on a date that is no later than the day prior to the expiration of the acceptance period, in the event that such date of expiration is extended (which is herein referred to as the "shareholder adjournment proposal").

**The Praxair board of directors unanimously recommends that you vote FOR the business combination proposal, FOR the distributable reserves creation proposal, FOR the compensation proposal and FOR the shareholder adjournment proposal.** For the reasons for these recommendations, see "The Business Combination" Praxair's Reasons for the Business Combination.

**Who Can Vote at the Praxair Special Meeting**

Only holders of record of Praxair shares at the close of business on August 8, 2017, the record date for the Praxair special meeting, will be entitled to notice of, and to vote at, the Praxair special meeting or any postponement or adjournment thereof. As of the record date, there were 286,065,119 Praxair shares outstanding and entitled to vote at the Praxair special meeting. You are entitled to one vote for each Praxair share you own for each matter to be voted on at the Praxair special meeting. Praxair shares that are held in treasury are not entitled to vote at the Praxair special meeting.

**Votes Required**

The business combination proposal requires the affirmative vote of the holders of a majority of the Praxair shares outstanding and entitled to vote at the Praxair special meeting (meaning that, of the Praxair shares outstanding, a majority must be voted FOR such proposal). A failure to vote, a broker non-vote, or an abstention will have the same effect as a vote AGAINST the business combination proposal.

The distributable reserves creation proposal, the compensation proposal and the shareholder adjournment proposal each requires the affirmative vote of a majority of the Praxair shares present in person or by proxy and entitled to vote at the Praxair special meeting (meaning that, of the Praxair shares represented at the Praxair special meeting and entitled to vote, a majority must be voted FOR such proposals). An abstention will have the same effect as a vote AGAINST such proposals. A failure to vote and broker non-votes will have no effect on the vote on any of the distributable reserves creation proposal, the compensation proposal and the shareholder

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adjournment proposal. The presence, in person or by proxy, of the holders of a majority of the Praxair shares entitled to vote shall constitute a quorum. Praxair shares represented at the Praxair special meeting and entitled to vote but not voted, including Praxair shares represented by abstentions, will be considered present for quorum purposes. Broker non-votes will not be counted for purposes of determining whether a quorum is present.

## **Adjournments**

Where a quorum is present at the Praxair special meeting, the Praxair special meeting may be adjourned from time to time by a majority of the Praxair shareholders present in person or by proxy and entitled to vote at that meeting from time to time, without notice other than announcement at the meeting, unless otherwise required by statute. If the chairman of the Praxair board of directors proposes to adjourn the special meeting and the shareholder adjournment proposal is approved by the Praxair shareholders, the special meeting will be adjourned. At any adjourned meeting of the special meeting at which a quorum is present, any business may be transacted which might have been transacted at the Praxair special meeting as originally notified. In order for the Praxair special meeting to be adjourned, the proposal to adjourn the meeting must be approved by a majority of the Praxair shares present or represented by proxy at the meeting and entitled to vote. See Proposal No. 4: The Shareholder Adjournment Proposal. In addition, whether or not a quorum of the shareholders is present, the Praxair bylaws permit the Praxair chairman to adjourn the special meeting to another place, date, and time.

## **Manner of Voting**

If you are a Praxair shareholder and you hold your Praxair shares in your own name, you may submit your vote for or against (or abstain in respect of) the proposals submitted at the Praxair special meeting in person or by proxy. Your vote is important. Because many shareholders cannot attend the special 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:

*Vote on the Internet.* If you have internet access, you may submit your proxy or voting instructions by following the instructions provided with your proxy materials and on your proxy card or voting instruction card;

*Vote by Telephone.* You can also vote by telephone 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; or

*Vote 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.

Information and applicable deadlines for using the proxy card, or voting by telephone, through the internet or by mail, are set forth in the enclosed proxy card instructions. Alternatively, you may vote in person at the Praxair special meeting by ballot.

If your Praxair shares are registered in the name of a broker, bank or other nominee (which is also known as being held in street name), that broker, bank or other nominee has enclosed or will provide a voting instruction card for you to direct the broker, bank or other nominee how to vote your shares. Praxair shareholders who hold shares in street

name must return their instructions to their broker, bank or other nominee on how to vote their shares. If your Praxair 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 special meeting.

All shares entitled to vote and represented by a properly completed proxy (either by internet, telephone or mail) will be voted at the special 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,

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the shares represented by that proxy will be voted on that matter as recommended by the Board of Directors. 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. If no instructions are indicated on a properly executed proxy card, the shares will be voted in accordance with the recommendation of the Praxair board of directors and, therefore, FOR the business combination proposal, FOR the distributable reserves creation proposal, FOR the compensation proposal and FOR the shareholder adjournment proposal.

If you return a properly executed proxy card or voting instruction card and have indicated that you have abstained from voting on a proposal, your Praxair shares represented by the proxy will be considered present at the Praxair special meeting for purposes of determining a quorum, but will have the same effect as a vote AGAINST the business combination proposal, the distributable reserves creation proposal, the compensation proposal and the shareholder adjournment proposal. Praxair, Inc. urges you to mark each applicable box on the proxy card or voting instruction card to indicate how to vote your Praxair shares.

If you are a Praxair shareholder and your proxy indicates instructions for some, but not all, of the proposals, your votes will be cast as indicated on the specified proposals for which instructions are indicated and in accordance with the recommendation of the Praxair board of directors, as described above, for any proposal for which no instructions are indicated.

You may revoke your proxy at any time before it is voted by:

submitting a later-dated proxy by mail, fax, telephone or through the internet; or

attending the Praxair special meeting and voting by paper ballot in person.

Attendance at the Praxair special meeting will not, in and of itself, constitute revocation of a previously granted proxy. If the Praxair special meeting is adjourned or postponed, it will not affect the ability of Praxair shareholders to exercise their voting rights or to revoke any previously granted proxy using the methods described above.

## **Broker Non-Votes**

Broker non-votes are Praxair shares held by a broker, bank or other nominee that are represented at the Praxair special meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on a particular proposal and the broker does not have discretionary voting power on such proposal. Under the listing requirements of the NYSE, brokers who hold Praxair shares in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters that the NYSE determines to be non-routine without specific instructions from the beneficial owner.

It is expected that under NYSE rules the business combination proposal, the distributable reserves creation proposal, the compensation proposal and, if brought, the shareholder adjournment proposal will all be considered non-routine. Therefore, if your broker, bank or other nominee holds your Praxair shares in street name, your broker, bank or other nominee will vote your Praxair shares only if you provide instructions on how to vote. For the business combination proposal, broker non-votes will have the same effect as a vote AGAINST adopting the business combination agreement. Broker non-votes are not considered shares entitled to vote on such matters and, therefore, will have no

effect on the distributable reserves creation proposal, the compensation proposal and the shareholder adjournment proposal.

If you hold your Praxair 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.



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### **Solicitation of Proxies**

The entire cost of soliciting proxies will be borne by Praxair, including the expense of preparing, printing and mailing this proxy statement/prospectus. Solicitation costs include payments to brokerage firms and others for forwarding solicitation materials to beneficial owners of Praxair's stock and reimbursement of out-of-pocket costs incurred for any follow up mailings. Praxair Inc. also has engaged Morrow Sodali LLC to assist in the solicitation of proxies from shareholders at a fee of \$48,000 plus reimbursement of out-of-pocket expenses. In addition to use of the mail, proxies may be solicited personally or by telephone by employees of Praxair without additional compensation.

### **Shareholder Sharing an Address**

If you share an address with another shareholder, you may receive only one set of printed proxy materials (including this proxy statement/prospectus) unless you have provided contrary instructions. If you wish to receive a separate 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 Morrow Sodali LLC at (203) 658-9400 (banks and brokerage firms) and (800) 662-5200 (stockholders toll free), or online at px.info@morrow sodali.com. Similarly, if you share an address with another shareholder and have received multiple copies of the proxy materials, you may contact the bank or broker that manages your account or, if you are a shareholder of record, you may contact Morrow Sodali LLC at the above address to request delivery of only a single copy of these materials to your household.

### **Submission of Shareholder Proposals**

Depending on if and when the merger is completed, Praxair, Inc. may not hold an annual meeting of shareholders in 2018. If the merger is not completed, Praxair shareholders will continue to be entitled to attend and participate in Praxair, Inc.'s annual meetings of shareholders. If such annual meeting is held, shareholder proposals will be eligible for consideration for inclusion in the proxy statement and form of proxy for such annual meeting of shareholders in accordance with Rule 14a-8 under the Exchange Act and Praxair, Inc.'s certificate of incorporation and bylaws.

In order to be included in Praxair, Inc.'s proxy statement and form of proxy for Praxair, Inc.'s 2018 annual meeting of shareholders, a shareholder proposal must be received in writing at Praxair, Inc.'s principal executive offices on or before November 17, 2017. If, however, Praxair, Inc. holds its 2018 annual meeting before March 26, 2018, or after May 25, 2018, then Praxair, Inc. must include in the proxy statement for its 2018 annual meeting any shareholder proposals pursuant to Rule 14a-8 under the Exchange Act that it receives a reasonable time before it begins to print and send its proxy materials.

Praxair shareholders may also submit director nominees pursuant to Praxair, Inc.'s proxy access bylaw for inclusion in Praxair, Inc.'s proxy statement for its 2018 annual meeting. Notice of director nominees must include the information required under Praxair, Inc.'s bylaws and must be received by its corporate secretary at its principal executive offices no earlier than the close of business (5:00 p.m. Eastern Time) on October 16, 2017 and no later than the close of business on November 15, 2017, unless the date of the 2018 annual meeting of shareholders has been changed by more than thirty calendar days from the anniversary of the 2017 annual meeting. In that case, such notice must be received by Praxair, Inc.'s corporate secretary no earlier than the close of business on the 180th calendar day before the date of the 2018 annual meeting of shareholders and no later than the close of business on the later of (i) the 150th calendar day before the date of the 2018 annual meeting of shareholders and (ii) the 10th calendar day following the date on which public announcement of the date of the 2018 annual meeting of shareholders is first made.

Under the terms of Praxair, Inc.'s certificate of incorporation, a shareholder who intends to present any item of business or a director nomination at the 2018 annual meeting of shareholders (other than through inclusion in

Praxair, Inc. s proxy statement under SEC Rule 14a-8 or the proxy access provisions of its bylaws), must provide

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Praxair, Inc. with written notice of such business at its principal executive office, including the information specified in the certificate of incorporation, which must be received no earlier than January 25, 2018 and no later than February 24, 2018, unless the date of the 2018 annual meeting of shareholders has been advanced by more than thirty calendar days or delayed by more than sixty calendar days from the anniversary of the 2017 annual meeting. In that case, such notice must be received by Praxair, Inc.'s corporate secretary no earlier than the close of business on the 90th calendar day before the date of the 2018 annual meeting of shareholders and no later than the close of business on the later of (i) the 60th calendar day before the date of the 2018 annual meeting of shareholders and (ii) the 10th calendar day following the date on which the notice of the meeting was sent or a public disclosure of the date of the 2018 annual meeting of shareholders is first made, whichever occurs first.

**Proposal No. 1: The Business Combination Proposal**

The business combination cannot be completed without the approval of the business combination proposal. The business combination proposal requires the affirmative vote of the holders of a majority of the Praxair shares outstanding and entitled to vote at the Praxair special meeting (meaning that, of the Praxair shares outstanding, a majority must be voted FOR such proposal). A failure to vote, a broker non-vote, or an abstention will have the same effect as a vote AGAINST the business combination proposal. The business combination agreement is attached as Annex A to this document.

Pursuant to the business combination agreement, Praxair's business will be brought under Linde plc through the merger and Linde's business will be brought under Linde plc through the exchange offer.

The merger will be subject to and occur immediately after settlement of the exchange offer. In the merger, each Praxair share will be converted into the right to receive one Linde plc share. In the exchange offer, Linde shareholders will be offered to exchange each Linde share for 1.540 Linde plc shares. The exchange offer is subject to the satisfaction or, where permissible, waiver of certain conditions, including the minimum acceptance condition, the Praxair requisite vote condition, the regulatory condition, and the other conditions described in the section The Exchange Offer Conditions to the Exchange Offer. All conditions to the exchange offer must be satisfied on or prior to the expiration of the acceptance period on October 24, 2017 (or waived at least one working day prior to the end of the acceptance period), except for the regulatory condition. The regulatory condition must be satisfied within twelve months following the end of the initial acceptance period, *i.e.*, by October 24, 2018. The merger will not occur before settlement of the exchange offer.

At the effective time of the merger, each Praxair stock option will be converted into a Linde plc stock option on substantially the same terms and conditions as were applicable to such Praxair stock option immediately prior to the effective time of the merger. The number of Linde plc shares subject to each such Linde plc stock option will equal the number of Praxair shares subject to each Praxair stock option immediately prior to the effective time of the merger. Such Linde plc stock option will have the same exercise price per share as the per-share exercise price applicable to such Praxair stock option immediately prior to the effective time of the merger.

At the effective time of the merger, each Praxair RSU will be converted into a Linde plc RSU on substantially the same terms and conditions as were applicable to such Praxair RSU immediately prior to the effective time of the merger. The number of Linde plc shares subject to each such Linde plc RSU will be equal to the number of Praxair shares subject to each Praxair RSU immediately prior to the effective time of the merger.

At the effective time of the merger, each Praxair PSU will be converted into a Linde plc RSU on substantially the same terms and conditions as were applicable to such Praxair PSU immediately prior to the effective time of the merger. The number of Linde plc shares subject to each such Linde plc RSU will be equal to the greater of (i) the

target number of Praxair shares subject to such Praxair PSU and (ii) the percentage of the target number of Praxair shares subject to such Praxair PSU determined based on the achievement of the performance goals applicable to such Praxair PSU immediately prior to the effective time of the merger.

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Linde plc intends to pursue a post-completion reorganization with respect to Linde after settlement of the exchange offer if the relevant ownership threshold for such a post-completion reorganization has been reached as a result of or following the exchange offer. A post-completion reorganization could eliminate any minority shareholder interests in Linde remaining after the settlement of the exchange offer or allow Linde plc to control Linde to the greatest extent permissible despite any remaining minority shareholder interests. The type of such transaction will primarily depend on the percentage of Linde shares acquired in the exchange offer and, to the extent legally permissible, in the open market or otherwise. Post-completion reorganization transactions are expected to include a domination agreement (*Beherrschungsvertrag*) and/or a profit and loss transfer agreement (*Gewinnabführungsvertrag*) and may include squeeze-out transactions in accordance with German law. See [The Business Combination Potential Post-Completion Reorganization Regarding Linde](#).

The aggregate number of Linde plc shares issued to the Praxair shareholders and Linde shareholders in the business combination will each represent approximately 50% of Linde plc's share capital outstanding immediately after the completion of the business combination, assuming that all Linde shareholders tender and do not withdraw their Linde shares in the exchange offer.

The rights of holders of Linde plc shares will be different from the rights of Praxair shareholders and Linde shareholders because the Linde plc constitution immediately after the business combination will be different from the governing documents of Praxair, Inc. and Linde AG, and will be governed by Irish law instead of Delaware law and German law, respectively. See [Comparison of Shareholder Rights Before and After the Business Combination](#) for a description of the material differences.

The Praxair board of directors unanimously approved the business combination agreement and determined that the business combination is in the best interests of Praxair, Inc. and its shareholders.

**The Praxair board of directors unanimously recommends that the shareholders vote FOR the business combination proposal.**

### **Proposal No. 2: The Distributable Reserves Creation Proposal**

Under Irish law, Linde plc must have distributable reserves in its unconsolidated financial statements (prepared in accordance with the Irish Companies Act 2014 (which is herein referred to as the [Companies Act](#) )) in order for it to legally make distributions (including the payment of cash dividends) to its shareholders, or, generally, to repurchase or redeem shares. Distributable reserves generally means the accumulated realized profits of Linde plc less accumulated realized losses of Linde plc and can include reserves created by way of capital reductions. Dividends and distributions by Linde plc would also be subject to additional limitations under Irish law.

Immediately following the business combination, the unconsolidated balance sheet of Linde plc will not contain any distributable reserves, and shareholders' equity in such balance sheet will be comprised entirely of (i) share capital (equal to the aggregate nominal value of the Linde plc shares issued pursuant to the business combination), (ii) share premium (resulting from the issuance of Linde plc shares in connection with the merger, which will be equal to the aggregate market value of Praxair shares as of close of business on the business day immediately prior to the closing date less the share capital provided to Praxair shareholders) and (iii) further share premium or, if applicable, the merger reserve (resulting from the issuance of Linde plc shares in connection with the German exchange offer, which will be equal to the aggregate market value of Linde shares owned by Linde plc on completion of the business combination, less the share capital provided to Linde shareholders, which will be converted to share premium following completion of the business combination).

We expect that, as soon as practicable following the completion of the business combination, Linde plc will seek to obtain the approval of the Irish High Court to convert all of its share premium, or such lesser amount as the directors of Linde plc may approve, to distributable reserves (which is herein referred to as the Linde plc

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distributable reserves creation ). The approval of the Irish High Court is required for the Linde plc distributable reserves creation to be effective, and we believe that approval by Praxair shareholders of the Linde plc distributable reserves creation would facilitate obtaining the required order of the Irish High Court. Accordingly, we are proposing that Praxair shareholders approve the Linde plc distributable reserves creation at the special meeting of shareholders of Praxair, Inc.

Shareholder approval of the Linde plc distributable reserves creation is not a guarantee Linde plc will pay dividends or repurchase or redeem shares at any time. The Linde plc board of directors may decide not to pay dividends or repurchase or redeem shares. In addition, although we are not aware of any reason why the Irish High Court would not approve the Linde plc distributable reserves creation, shareholder approval is not a guarantee that the Irish High Court will approve the Linde plc distributable reserves creation.

The distributable reserves creation proposal is a non-binding, advisory vote and as a non-binding, advisory vote the distributable reserves creation proposal is not binding upon Praxair or the Praxair board of directors, and approval of the distributable reserves creation proposal is not a condition to completion of the business combination.

The vote on creation of distributable reserves in connection with the business combination is a vote separate and apart from the vote to adopt the business combination agreement. Accordingly, you may vote for the business combination proposal and vote against the distributable reserves creation proposal and vice versa.

The distributable reserves creation proposal requires the affirmative vote of a majority of the Praxair shares present in person or by proxy and entitled to vote at the Praxair special meeting (meaning that of the Praxair shares represented at the Praxair special meeting and entitled to vote a majority must be voted **FOR** such proposals). An abstention will have the same effect as a vote **AGAINST** such proposal. A failure to vote and broker non-votes will have no effect on the vote on the distributable reserves creation proposal.

**The Praxair board of directors unanimously recommends that the shareholders vote FOR the distributable reserves creation proposal.**

**Proposal No. 3: The Compensation Proposal**

Under Section 14A of the Exchange Act and the applicable rules thereunder, Praxair, Inc. is required to provide Praxair shareholders with the opportunity to cast a non-binding, advisory vote on the compensation that may become payable to its named executive officers in connection with the business combination, as disclosed in this document, including as described in *The Business Combination Interests of Directors, Board Members and Executive Officers in the Business Combination Praxair, Inc.* This vote is commonly referred to as a *golden parachute say on pay* vote. It is a non-binding, advisory vote and relates only to already existing contractual obligations of Praxair that may result in a payment to its named executive officers in connection with, or following, the completion of the business combination. Further, the compensation proposal does not relate to any compensation arrangement that may become applicable to directors or executive officers who are not named executive officers.

The Praxair board of directors unanimously recommends that Praxair shareholders approve the following resolution:

RESOLVED, that the compensation that may be paid or become payable to the named executive officers of Praxair, Inc. in connection with the business combination, as disclosed pursuant to Item 402(t) of Regulation S-K in the table in the section of the joint proxy statement/prospectus entitled *The Business Combination Interests of Directors, Board Members and Executive Officers in the Business Combination Praxair, Inc.*, including the associated narrative discussion, and the agreements and plans pursuant to which such compensation may be paid or become payable, are

hereby APPROVED.



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As an advisory vote, the compensation proposal is not binding upon Praxair or the Praxair board of directors, and approval of the compensation proposal is not a condition to completion of the business combination. Accordingly, to the extent that Praxair is contractually obligated to pay the compensation, such compensation will be payable, subject only to the conditions applicable thereto, if the business combination is consummated and regardless of the outcome of the advisory vote. The change of control payments are a part of Praxair's comprehensive executive compensation program and are intended to align its named executive officers' interests with yours as shareholders by ensuring their continued retention and commitment during critical events such as the business combination, which may create significant personal uncertainty for them.

The vote on executive compensation payable in connection with the business combination is a vote separate and apart from the vote to adopt the business combination agreement. Accordingly, you may vote for the business combination proposal and vote against the compensation proposal and vice versa.

The compensation proposal requires the affirmative vote of a majority of the Praxair shares present in person or by proxy and entitled to vote at the Praxair special meeting (meaning that of the Praxair shares represented at the Praxair special meeting and entitled to vote a majority must be voted **FOR** such proposals). An abstention will have the same effect as a vote **AGAINST** such proposal. A failure to vote and broker non-votes will have no effect on the vote on the compensation proposal.

**The Praxair board of directors unanimously recommends that the shareholders vote FOR the compensation proposal.**

### **Proposal No. 4: The Shareholder Adjournment Proposal**

The shareholder adjournment proposal, if presented by the chairman of the Praxair board of directors at the Praxair special meeting, would allow to adjourn or postpone the special meeting in order to (1) solicit additional proxies in the event, based on the tabulated votes, there are not sufficient votes at the time of the special meeting of shareholders to approve the business combination proposal and/or (2) hold the special meeting on a date that is no later than the day prior to the expiration of the acceptance period, in the event that such date of expiration is extended.

The shareholder adjournment proposal is not a condition to completion of the business combination.

The vote on the shareholder adjournment proposal in connection with the business combination is a vote separate and apart from the vote to adopt the business combination agreement. Accordingly, you may vote for the business combination proposal and vote against the shareholder adjournment proposal and vice versa.

The shareholder adjournment proposal requires the affirmative vote of a majority of the Praxair shares present in person or by proxy and entitled to vote at the Praxair special meeting (meaning that of the Praxair shares represented at the Praxair special meeting and entitled to vote a majority must be voted **FOR** such proposals). An abstention will have the same effect as a vote **AGAINST** the shareholder adjournment proposal. A failure to vote and broker non-votes will have no effect on the vote on the shareholder adjournment proposal. In addition, whether or not a quorum of the shareholders is present, the Praxair bylaws permit the Praxair chairman to adjourn the special meeting to another place, date, and time.

**The Praxair board of directors unanimously recommends that the shareholders vote FOR the shareholder adjournment proposal.**



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**Table of Contents****THE BUSINESS COMBINATION****Information About the Companies*****Linde plc***

Linde plc is a newly incorporated public limited company formed under the laws of Ireland on April 18, 2017, that will become the parent company of Praxair, Inc. and Linde AG upon the completion of the business combination. To date, Linde plc has not conducted any material activities other than those incidental to its formation and the matters contemplated by the business combination agreement. On May 26, 2017, Linde plc formed Zamalight Holdco, a Delaware limited liability company. On July 26, 2017, Linde plc formed Linde Holding GmbH, a German limited liability company (*GmbH*), which on July 28, 2017, in turn formed Linde Intermediate Holding AG, a German stock corporation (*AG*), to facilitate the settlement of the exchange offer and a post-completion reorganization with respect to Linde.

Linde plc's principal executive offices are located at The Priestley Centre, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey GU2 7XY, United Kingdom, and its telephone number at that location is +44 1483 242200. Linde plc's registered office is located at Ten Earlsfort Terrace, Dublin 2, D02 T380 Ireland.

***Praxair, Inc.***

Praxair, Inc., a Delaware corporation, was founded in 1907 and became an independent publicly traded company in 1992. Praxair is a leading industrial gas company in North and South America and one of the largest worldwide. It continues to be a major technological innovator in the industrial gases industry. Its primary products in its industrial gases business are atmospheric gases (oxygen, nitrogen, argon, rare gases) and process gases (carbon dioxide, helium, hydrogen, electronic gases, specialty gases, acetylene). Praxair serves a diverse group of industries including healthcare, petroleum refining, manufacturing, food, beverage carbonation, fiber-optics, steel making, aerospace, chemicals and water treatment. Praxair also designs, engineers, and builds equipment that produces industrial gases primarily for internal use. Praxair's surface technologies segment supplies wear-resistant and high-temperature corrosion-resistant metallic and ceramic coatings and powders.

Praxair, Inc.'s principal executive offices are located at 10 Riverview Drive, Danbury, Connecticut 06810-6268, and its telephone number at that location is (203) 837-2000. Its registered office in the State of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, 19808, and its common stock is listed on the NYSE under the symbol PX and ISIN US74005P1049.

***Linde AG***

Linde AG, a German stock corporation (*Aktiengesellschaft*), was founded in 1879. Linde is one of the largest gases and engineering companies worldwide. The Linde Group offers a wide range of compressed and liquefied gases as well as chemicals and is a partner for a variety of industries. Linde gases, such as oxygen, nitrogen, hydrogen, helium and specialty gases, are used, for example, in the energy sector, steel production, chemical processing, environmental protection and welding, as well as in food processing, glass production, electronics and in the healthcare sector. Linde is also active in the sale of products in the field of medical technology, of pharmaceutical products and of other products in the healthcare area. Linde's engineering business includes the technology, engineering, procurement, project management and construction of industrial plants. Linde plants are used in a wide variety of fields such as the petrochemical and chemical industries, refineries and fertilizer plants, to recover air gases, to produce hydrogen and synthesis gases and to treat natural gas.

Linde AG's principal executive offices are located at Klosterhofstrasse 1, 80331 Munich, Germany and its telephone number at that location is +49 89 3575701. Its registered office is in Munich, Germany and its shares are listed on the regulated market of the Frankfurt Stock Exchange and the stock exchanges in Berlin, Dusseldorf, Hamburg, Munich and Stuttgart, as well as the Tradegate Exchange and are also traded on the open market (*Freiverkehr*) of the Hanover stock exchange, in each case under the symbol LIN and ISIN DE0006483001.

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**Table of Contents*****Zamalight Holdco***

Zamalight Holdco is a Delaware limited liability company and wholly-owned subsidiary of Linde plc that was formed on May 26, 2017. To date, Zamalight Holdco has not conducted any material activities other than those incidental to its formation and the matters contemplated by the business combination agreement. Upon effectiveness of the merger, Praxair, Inc. will become a wholly-owned subsidiary of Zamalight Holdco in connection with the business combination.

Zamalight Holdco's principal executive offices are located at 10 Riverview Drive, Danbury, Connecticut 06810-5113, and its telephone number at that location is +1 (203) 837-2000. Its registered office in the State of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, 19808.

***Merger Sub***

Zamalight Subco, Inc. (which is herein referred to as "Merger Sub") is a Delaware corporation and wholly-owned subsidiary of Zamalight Holdco that was formed on May 26, 2017. To date, Merger Sub has not conducted any material activities other than those incidental to its formation and the matters contemplated by the business combination agreement. Upon effectiveness of the merger, Merger Sub will merge with and into Praxair, Inc., with Praxair, Inc. surviving the merger as an indirect wholly-owned subsidiary of Linde plc.

Merger Sub's principal executive offices are located at 10 Riverview Drive, Danbury, Connecticut 06810-5113, and its telephone number at that location is +1 (203) 837-2000. Its registered office in the State of Delaware is 251 Little Falls Drive, in the City of Wilmington, County of New Castle, 19808.

**Structure of the Business Combination**

In the business combination, Praxair's business will be brought indirectly under Linde plc through the merger and Linde's business will be brought under Linde plc indirectly through the exchange offer. Following settlement of the exchange offer, Linde plc intends to pursue a post-completion reorganization with respect to Linde if the relevant ownership threshold for such a post-completion reorganization has been reached as a result of or following the exchange offer. A post-completion reorganization could eliminate any minority shareholder interests in Linde AG remaining after the settlement of the exchange offer or allow Linde plc to control Linde to the greatest extent permissible despite any remaining minority shareholder interests. The type of such transaction will mainly depend on the percentage of Linde shares acquired in the exchange offer and, to the extent legally permissible, in the open market or otherwise. Post-completion reorganization transactions include a domination agreement and/or a profit and loss transfer agreement, where minority shareholders remain outstanding, and squeeze-out transactions, where Linde plc (directly or indirectly) acquires all Linde shares owned by remaining Linde AG minority shareholders for adequate compensation. Linde shareholders located or resident in the United States will participate in potential post-completion reorganization transactions and will be treated equally with Linde shareholders located outside of the United States.

If Linde plc (through Linde Intermediate Holding AG or otherwise) holds at least 75%, which it will if the minimum acceptance condition (as defined herein) is satisfied, but less than 90% of Linde AG's outstanding shares, Linde plc (through Linde Intermediate Holding AG or otherwise) intends to enter into a domination agreement and/or a profit and loss transfer agreement with Linde AG. Such agreement will give Linde plc control over Linde's management and/or transferring Linde's profits to Linde plc. For a more complete description of potential post-completion reorganization measures, see "Potential Post-Completion Reorganization Regarding Linde."

The following diagrams illustrate the simplified structure of Praxair, Linde and Linde plc prior to the consummation of the business combination, as well as after the consummation of the business combination assuming that following the exchange offer, Linde plc (through its wholly-owned subsidiaries Linde Holding

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GmbH and Linde Intermediate Holding AG) holds at least 75% of Linde AG's outstanding share capital, Linde Intermediate Holding AG and Linde AG enter into a domination and profit and loss transfer agreement, and Linde Holding GmbH and Linde Intermediate Holding AG enter into a domination and profit and loss transfer agreement:

***Pre-Combination Structure; the Business Combination***

***Potential Post-Completion Structure***

Upon completion of the business combination, Linde plc will be the holding company of the combined group. Praxair, Inc. and Linde AG each will be indirect subsidiaries of Linde plc. The former shareholders of Praxair, Inc. and the tendering shareholders of Linde AG will become shareholders of Linde plc.

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The following diagram illustrates the potential group structure after completion of the business combination.

**Background of the Business Combination**

The executive board and the supervisory board of Linde and the management and the board of directors of Praxair continually review their respective company's results of operations and competitive positions in the industries in which they operate as well as strategic alternatives. In connection with these reviews, each of Linde and Praxair from time to time evaluates potential transactions that would further its strategic objectives, including by meeting periodically with representatives of other companies in the industry, investment bankers and investors to discuss opportunities that would enhance shareholder value. As part of this evaluation of potential transactions, Linde and Praxair have from time to time discussed a potential business combination or regional acquisition transactions including potential business or asset swaps, but none of these discussions progressed beyond preliminary stages.

In the course of 2015, representatives from Linde and Praxair met twice, first in Munich, Germany on January 19, 2015 and then in New York, New York on July 21, 2015 to discuss certain strategic options between the two companies. While the possibility of a potential business combination of Linde and Praxair was raised by the Praxair representatives, the Linde representatives responded at the January 19, 2015 meeting that Linde was not prepared to engage in such discussions at such time, and at the July 21, 2015 meeting, the Linde representatives confirmed that Linde was not interested in pursuing such discussions because a potential business combination was not consistent with Linde's business plan at the time, and discussions on that subject were terminated after this meeting. The parties discussed other strategic options at both meetings involving business or asset swaps in certain geographic segments whereby Linde would acquire certain Praxair businesses or assets in various jurisdictions where Linde's business was more established and Praxair would acquire certain Linde businesses or assets in other jurisdictions where Praxair's business was more established. Discussions regarding such potential business or asset swaps continued from time to time following July 21, 2015 at a lower management level, but the parties did not agree on the scope and terms of such business or asset swaps.



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Beginning in late 2015, as a part of Praxair's normal strategic review of its business, Praxair's senior management began to evaluate several potential strategic alternatives it could pursue to accelerate future growth in sales and earnings, including a potential business combination with Linde, potential acquisitions of regional industrial gas businesses, and potential joint venture or divestment transactions involving certain Praxair businesses (noting that any potential divestment transaction would not have increased sales but would have been intended to increase earnings per share).

On February 23, 2016, Praxair held a meeting of its board of directors to discuss strategic options, including a potential business combination with Linde. During the meeting Praxair senior management reviewed the potential strategic and financial benefits of such a combination.

On May 3, 2016, Linde held its annual general meeting and Prof. Dr. Wolfgang Reitzle was elected as a shareholder representative to the Linde supervisory board with effect as of May 21, 2016. Also on May 3, 2016, the members of the Linde supervisory board elected Prof. Dr. Reitzle as Chairman of the Linde supervisory board with effect as of May 21, 2016.

On June 8, 2016, Mr. Stephen Angel, the CEO of Praxair, and Dr. Wolfgang Büchele, then the Chairman of the executive board of Linde, discussed scheduling a meeting where they could explore the merits and feasibility of a potential transaction between the two parties. The meeting was subsequently scheduled for June 14, 2016.

On June 14, 2016, Mr. Angel, Dr. Büchele and Prof. Dr. Reitzle met in Munich, Germany and discussed the idea of a potential business combination between Linde and Praxair. In the meeting, a number of challenges, in particular related to antitrust laws, including potential divestitures that might be requested by the relevant authorities and the timing thereof, potential tax risks, potential challenges to the realization of synergies, employee interests, governance topics, stock exchange listing and index inclusion considerations and political risks, to such a potential business combination were identified, and it was tentatively agreed in the meeting and confirmed on the next day in a follow-up phone call between Mr. Angel and Dr. Büchele that the feasibility of any such business combination should be analyzed by both companies with the assistance of their legal and the Linde executive board's and Praxair's financial advisors prior to the commencement of any discussions on the possible terms and conditions of such a business combination.

Pursuant to an engagement letter dated June 15, 2016, Praxair retained Credit Suisse as its financial advisor in connection with a potential business combination involving Linde, based on Credit Suisse's qualifications, experience and reputation as an internationally recognized investment banking and financial advisory firm.

Linde sought the assistance of Morgan Stanley and Perella Weinberg as financial advisors in connection with a potential business combination involving Praxair. Morgan Stanley was selected based on Morgan Stanley's reputation, experience in transactions similar to the proposed business combination and familiarity with Linde. Perella Weinberg was selected based on Perella Weinberg's qualifications, expertise and reputation, its knowledge of the businesses and affairs of Linde and its knowledge of the industries in which Linde and Praxair conduct their respective businesses.

On June 20, 2016, Linde and Praxair entered into a nondisclosure agreement regarding the exchange of non-public information between Linde and Praxair. Among other terms, the nondisclosure agreement contained a standstill obligation prohibiting each party, for a specified period and subject to certain exceptions, from participating in an acquisition of the securities of the other party, soliciting any proxies with respect to the voting securities of the other party or seeking control or influence over the management, board of directors or executive or supervisory boards of the other party, in each case without the written consent of such other party.

On June 23, 2016, a meeting between representatives of Linde and Praxair took place in New York, New York. In addition to members of each party's management teams, representatives of Linde's legal advisors and the Linde executive board's financial advisors and representatives of Praxair's legal and financial advisors

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participated in the meeting. The purpose of the meeting was for both companies, with the assistance of their legal and financial advisors, to jointly identify potential issues which might affect the feasibility of a potential business combination and to discuss possible structures for such potential business combination. At the meeting, Linde and Praxair agreed that the parties must first conduct an analysis of the feasibility of a potential business combination and, only following a satisfactory conclusion, should Linde and Praxair enter into detailed discussions regarding a potential business combination. During the course of the meeting the parties discussed various financial and legal topics, including synergy potential, transaction structure (including the formation of a new holding company and its potential domicile), regulatory considerations (including expected antitrust approvals) and index inclusion considerations, which the parties and their legal and financial advisors identified as topics that might affect the feasibility of a potential business combination. In the coming weeks, Linde and Praxair were to begin to evaluate synergy potential, Linde's and Praxair's respective external legal advisors were to begin to evaluate transaction structure and regulatory considerations, and Credit Suisse, Morgan Stanley and Perella Weinberg were to assist in the evaluation of index inclusion. During the course of the meeting the parties also discussed due diligence, documentary requirements to implement a proposed business combination transaction and applicable U.S. and E.U./German securities law considerations. The topics of valuation, governance, allocation of key positions and employee matters were not discussed in such meeting.

On June 27, 2016, Linde and Praxair executed a Clean Team Confidentiality Agreement and Common Interest Agreement, governing the terms and conditions under which the parties would exchange certain competitively sensitive information about each company. Linde and Praxair agreed that the exchange of such sensitive information would be required in order to assess the feasibility of a potential business combination from a merger control perspective and whether a potential business combination would generate sufficient synergies.

On July 6 and 7, 2016, representatives of Linde and Praxair met in Zurich, Switzerland. The parties discussed various financial and legal issues, including, among others, potential synergies, due diligence, transaction structures (including a comparison of the advantages and disadvantages of using an exchange offer structure with respect to Linde as opposed to a European cross-border merger structure), and other primarily technical issues that would be relevant in order to assess the feasibility of a potential business combination. Such technical issues included a broad range of matters such as the expected index inclusion of Linde plc shares, a comparison of the implications of different tax domiciles under consideration, an analysis of the expected status of the new holding company as a U.S. issuer for SEC reporting purposes as opposed to foreign private issuer status under the SEC rules, and a more in-depth review of the expected documentary requirements to implement the proposed business combination transaction. In addition, Credit Suisse, Praxair's financial advisor, reviewed and discussed considerations relating to the proposed stock exchange listings for Linde plc shares and the likelihood of Linde plc shares being included in stock indexes. The feasibility analysis conducted by the parties with assistance from their legal and financial advisors produced certain results such as, regarding the topic of transaction structure, a preference for an exchange offer structure with respect to Linde, the identification of three potential European jurisdictions in which to incorporate the new holding company, a determination that the new holding company would likely be considered a U.S. issuer for SEC reporting purposes, and a draft timeline and documentary checklist for implementing a potential business combination. With respect to stock exchange listings and index inclusion, the result of the feasibility analysis was to target a listing of the Linde plc shares on the Frankfurt Stock Exchange and the NYSE and to aim for parallel inclusion in the DAX 30 and the S&P 500. The topics of valuation, governance, allocation of key positions and employee matters were not discussed in such meeting.

On June 28, 2016 and July 12, 2016, the Linde executive board met, and discussed, among other things, the initial results of the feasibility analysis for the potential business combination, including the topics of regulatory considerations, transaction structure and index inclusion. In such meetings, individual board members and key managers raised serious concerns with regard to the feasibility of the potential business combination with Praxair

(potential antitrust issues and potentially required divestitures, tax considerations related to the transaction structure and issues related to index inclusion), the timing of entering into discussions thereof and the doubts as to whether such potential business combination would be superior to alternative strategic options.

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On July 26, 2016, during a regularly scheduled meeting of the Praxair board of directors in New York, New York, the board discussed the potential business combination with Linde. That same day, Linde held an extraordinary meeting of its supervisory board in Munich, Germany, during which the executive board reported on the potential business combination. Dr. Büchele and Mr. Georg Denoke, then the CFO of Linde, each presented their contradictory assessments of such potential business combination and of the appropriate valuation of Linde and Praxair, respectively, and whether discussions of such potential business combination should be pursued. Representatives of the employees on the Linde supervisory board raised concerns with regard to the continuation of the German employees' co-determination and the protection of employees against shut-downs of plants and dismissals.

On July 27, 2016, the day after the regularly scheduled meeting of the Praxair board of directors and the extraordinary meeting of the Linde supervisory board, Mr. Angel, Dr. Büchele and Prof. Dr. Reitzle met in Munich, Germany to discuss the potential business combination. Mr. Angel and Dr. Büchele met again on August 4, 2016 in White Plains, New York, also to discuss the potential business combination. During these discussions, the Linde representatives explained that, while the then-current market capitalization of Praxair was higher than the then-current market capitalization of Linde, they strongly believed that other factors (historical share prices, sales and other financial figures) justified a higher valuation of Linde and, therefore, anything other than a 50%-50% ownership structure was not deemed acceptable.

On August 11, 2016, Praxair held a special telephonic meeting of the Praxair board of directors. Praxair senior management reviewed the status of the discussions with Linde with the Praxair board of directors, including Linde's communicated position that it would not accept anything other than a 50%-50% ownership structure. The Praxair board of directors authorized management to continue pursuit of a potential business combination with Linde on the basis of a 50%-50% ownership structure.

On August 16, 2016, following reports in the press on August 15, 2016 regarding the parties' discussions, Linde and Praxair each issued press releases confirming their preliminary discussions.

On August 17, 2016, Praxair sent a proposal letter and non-binding term sheet to Dr. Büchele at Linde, which included concrete terms on which Praxair was prepared to enter into negotiations of a potential business combination. Such terms included a 50%-50% ownership structure, a proposed exchange ratio in the combined company for each share of Linde common stock (which was based on the respective prevailing market values of Linde and Praxair as of August 15, 2016, plus a premium in respect of the Linde shares in order to arrive at a 50%-50% ownership structure on a fully-diluted basis), certain aspects of the corporate governance structure of the combined company and the appointment of certain members of the management team of the combined company.

On August 22 and 24, 2016, the Linde executive board met to discuss the proposal letter and non-binding term sheet received from Praxair. Following due deliberation, it decided that Linde would enter into discussions with Praxair regarding the terms of such term sheet.

Between August 22 and September 10, 2016, the parties exchanged drafts of the non-binding term sheet. However, there were no further in-person meetings between the representatives of the parties to negotiate or finalize the terms of the non-binding term sheet.

Based on the discussions and the drafts of the non-binding term sheet, certain issues relating to the governance structure, the allocation of management functions in the proposed new global organization and the protection of the Linde workforce remained unresolved. As a result thereof, the executive board was divided about the merits of the business combination. As a result of these unresolved issues, on September 12, 2016, in a telephone conference among the shareholder representatives of the Linde supervisory board, the shareholder representatives decided to

recommend to the Linde executive board and the Linde supervisory board that talks with Praxair be terminated. This was made public by Linde by way of an ad hoc announcement. Shortly

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thereafter, the Linde executive board resolved to terminate the talks with Praxair, which resolution was made public by way of an ad hoc announcement. On the same day Praxair issued a press release announcing that preliminary discussions regarding the potential business combination had been terminated.

On November 21, 2016, Praxair held a telephonic meeting of the Praxair board of directors, where Mr. Angel provided an update on an informal discussion that he had with Prof. Dr. Reitzle on November 17, 2016 and outlined a proposal to the Praxair board of directors for a reengagement of discussions with Linde. The Praxair board of directors discussed this proposal and approved submitting a revised business combination proposal to Linde.

On November 23, 2016, Praxair sent a revised proposal letter and draft non-binding term sheet to Linde, the terms of which included a 50%-50% ownership structure, an exchange ratio of 1.540 ordinary shares in a newly formed holding company, Linde plc, for each share of Linde common stock (which was based on the same methodology as the proposal at the time discussions terminated on September 12, 2016 but by reference to more recent market data *i.e.*, using the respective prevailing market values of Linde and Praxair as of November 17, 2016, plus a premium in respect of the Linde shares in order to arrive at a 50%-50% ownership structure on a fully-diluted basis), certain aspects of the corporate governance structure of Linde plc and the appointment of certain members of the management team of Linde plc. In particular, the main differences between this proposal and the proposal at the time discussions terminated on September 12, 2016 were that the proposal on November 23, 2016 included (a) the identification of specific individuals to become members of the management team of Linde plc, (b) the identification of specific global functions to be based in Germany and the United States and (c) a commitment that the business combination agreement would provide for adequate protection of employment in Germany, including no further headcount reductions beyond those announced by Linde in connection with its LIFT program for a period of three years.

On November 28, 29 and 30, 2016, the Linde executive board discussed the revised proposal in detail and compared the potential business combination with Praxair to other strategic options. In particular, the Linde executive board discussed and assessed the alternatives to continue to grow Linde's business on a stand-alone basis or to pursue a business combination with another major participant in the gases industry.

Following public reports about the potential business combination in the press, on November 29, 2016, Linde issued an ad hoc announcement disclosing that it had received a revised proposal from Praxair concerning a potential business combination. Shortly thereafter, Praxair issued a press release confirming that it had approached Linde about resuming discussions regarding a potential business combination.

On December 7, 2016, the Linde executive board discussed with the Linde supervisory board the strategic options with regard to the potential business combination with Praxair. The supervisory board authorized the executive board to resume talks about the essential conditions of a potential business combination of Linde and Praxair based on the proposal sent by Praxair on November 23, 2016 and the executive board of Linde resolved accordingly. On the same day, Dr. Büchele offered to resign as member and Chairman of the Linde executive board with immediate effect. Dr. Büchele's appointment as Chairman of the Linde executive board and his service agreement with Linde provided for an end of his term by April 30, 2017. Dr. Büchele had previously announced that he would not be available for a second term as Chairman of the Linde executive board beyond such date. In light of the decision to resume talks with Praxair, Dr. Büchele offered his resignation in order to allow for continuity in the position of the Chairman of the Linde executive board during the negotiations with Praxair. The Linde supervisory board accepted Dr. Büchele's resignation and appointed Prof. Dr. Aldo Belloni as member and Chairman of the Linde executive board for a term beginning on December 8, 2016 and ending on December 31, 2018. Linde thereafter issued a press release and an ad hoc announcement regarding the foregoing.

On December 9, 2016, the Linde supervisory board executed an engagement letter with BofA Merrill Lynch to act as its financial advisor in connection with the business combination. BofA Merrill Lynch was selected on the basis of BofA Merrill Lynch's experience in transactions similar to the business combination, its reputation in the investment community and its familiarity with Linde and its business.



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On December 16, 2016, the Linde executive board executed engagement letters with Morgan Stanley and Perella Weinberg to confirm and determine in detail their roles as financial advisors in connection with the business combination. Morgan Stanley was selected based on Morgan Stanley's reputation, experience in transactions similar to the proposed business combination and familiarity with Linde. Perella Weinberg was selected based on Perella Weinberg's qualifications, expertise and reputation, its knowledge of the businesses and affairs of Linde and its knowledge of the industries in which Linde and Praxair conduct their respective businesses.

On December 21, 2016, the Linde supervisory board executed an engagement letter with Goldman Sachs to act as its financial advisor in connection with the business combination. Goldman Sachs was selected because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the business combination.

Taking into account the overall importance of the transaction for Linde and the complexity and the size of the transaction, Linde's executive board and supervisory board each decided to seek two independent fairness opinions. With respect to the delivery of their respective fairness opinions, there was no material difference in the scope of the engagement or instructions given to each of the financial advisors.

From December 9, 2016 to December 11, 2016, the parties continued to negotiate the non-binding term sheet, including certain aspects of the corporate governance structure of Linde plc and the appointment of certain members of the management team of Linde plc, and by December 11, 2016, the parties had finalized the terms of the non-binding term sheet, subject to the review and approval of the respective Linde and Praxair boards. The exchange ratio of 1.540 ordinary shares in Linde plc for each share of Linde common stock, initially proposed on November 23, 2016, remained the exchange ratio in the final version of the non-binding term sheet.

On December 12, 2016, Praxair's board of directors met at its regularly scheduled meeting to discuss the revised non-binding term sheet, and Praxair's board of directors, after due deliberation and consultation with its legal and financial advisors, authorized Praxair's management to finalize the non-binding term sheet.

On December 15 and 16, 2016, Mr. Angel and Mr. White met with Prof. Dr. Belloni, Prof. Dr. Reitzle and certain Linde executives in Munich, Germany to discuss corporate governance principles and certain aspects of the non-binding term sheet.

On December 20, 2016, both the executive board and the supervisory board of Linde, after due deliberation and consultation with its legal and financial advisors, approved Linde's entry into the non-binding term sheet.

Also on December 20, 2016, the Praxair board of directors approved Praxair's entry into the non-binding term sheet and Linde and Praxair executed the non-binding term sheet which included certain key terms of the potential business combination, including a transaction structure involving a reverse triangular merger for Praxair and a German exchange offer for Linde, the corporate governance approach and branding for the combined company and parameters for the future integration of the parties' respective business operations. The non-binding term sheet provided for an all-stock transaction in which Linde shareholders would receive 1.540 shares in Linde plc for each Linde share and Praxair shareholders would receive one share in Linde plc for each Praxair share, resulting in Linde and Praxair shareholders each owning approximately 50% of Linde plc, if all Linde shares were to be tendered in the exchange offer. It also provided that Linde plc would be governed by a single board of directors with equal representation from Linde and Praxair. In keeping with this balanced leadership approach, Prof. Dr. Reitzle would become Chairman of the Linde plc board of directors and Mr. Angel would become the CEO of Linde plc and serve as a director on the Linde plc board of directors. The non-binding term sheet further provided that the new holding company would be named Linde, would be listed on both the NYSE and the Frankfurt Stock Exchange and would seek inclusion in the

S&P 500 and DAX 30 indices. The non-binding term sheet also provided that Linde plc would be formed and domiciled in a neutral member state of the European Economic Area and Mr. Angel, as the CEO, would be based in Danbury, Connecticut, with other functions to be appropriately split between Danbury, Connecticut and Munich, Germany.

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Subsequently, the Linde executive board established a steering committee, comprised of all the members of the Linde executive board as well as certain senior-level Linde executives involved in negotiating the potential business combination, to discuss and update the Linde executive board on the status of the proposed business combination on a regular basis.

On January 11, 2017, representatives of Linde and Praxair met in New York, New York and held an organizational kick-off meeting to discuss and organize transaction workstreams. Representatives of Linde's legal advisors and the Linde executive board's financial advisors as well as representatives of Praxair's legal and financial advisors also participated in the meeting. During the course of the meeting, the parties discussed a number of transaction workstreams and topics, including, among others, synergies, due diligence, the transaction structure, the expected legal documentation to implement the business combination and other planning matters.

On January 24, 2017, Praxair's board of directors met at its regularly scheduled meeting and discussed the initiation of the workstreams discussed at the January 11th meeting and an updated timeline on the proposed business combination.

The Praxair board of directors met at its next regularly scheduled meeting on February 28, 2017 and discussed the progress of certain transaction workstreams. Praxair's legal and financial advisors were also in attendance at the board meeting. Praxair's legal advisors discussed the board's fiduciary duties in connection with the potential business combination with Linde and the status of the business combination.

From March 1 to March 3, 2017, representatives of Linde and Praxair met in Munich, Germany. The parties discussed the status of various transaction workstreams and in particular the governance of Linde plc.

On March 7, 2017, Praxair's legal advisor sent an initial draft business combination agreement to Linde's legal advisors. From that date until the execution of the business combination agreement, the parties, with the assistance of their respective legal and the Linde executive board's and Praxair's financial advisors, negotiated the remaining key terms of the business combination agreement not covered in detail by the non-binding term sheet. The key terms negotiated included certain aspects of the corporate governance structure of Linde plc, the representations and warranties to be included in the business combination agreement, the interim operating covenants by which the parties would be bound between the execution of the business combination agreement and the closing of the business combination, the conditions of the exchange offer and the reverse triangular merger and the circumstances under which the agreement could be terminated and the consequences of such termination.

On March 23, 2017, Mr. Angel and Prof. Dr. Belloni met in Danbury, Connecticut and discussed various issues related to corporate governance and personnel matters regarding the potential business combination.

On April 6, 2017, Linde's executive board informed the supervisory board of Linde on the status of the discussions with Praxair.

On April 7, 2017, representatives of Linde and Praxair met in New York, New York. Representatives of their respective legal and the Linde executive board's and Praxair's financial advisors were also present at the meeting. The parties discussed various open points related to the draft business combination agreement and the corporate governance structure of Linde plc.

The Praxair board of directors met at its next regularly scheduled meeting on April 25, 2017 and discussed the progress of the business combination agreement and the registration statement. Praxair's legal and financial advisors were also in attendance at the board meeting.

On May 2, 2017, Mr. Angel, Prof. Dr. Belloni and representatives of Linde met in Danbury, Connecticut and discussed various issues related to the operation of certain Linde business segments, corporate governance and personnel matters regarding the potential business combination.

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On May 6, 11, 12, 16, 17 and 18, 2017, representatives of Linde and Praxair and their respective legal advisors participated in telephonic and video conference calls to finalize the business combination agreement, including agreement on its governance provisions.

On May 19, 2017, Linde's executive board resolved to refer the decision to enter into the business combination agreement to the supervisory board for approval and submitted to the supervisory board the final draft of the business combination agreement, including the governance provisions, for its review.

The Praxair board of directors met on May 31, 2017 at a special meeting of the Praxair board of directors that was attended by certain members of the Praxair senior management and representatives of Praxair's financial and legal advisors. The Praxair board of directors reviewed and considered the terms of the proposed business combination agreement. Credit Suisse, Praxair's financial advisor, reviewed and discussed its financial analyses with respect to Praxair, Linde and the proposed business combination. At the request of the Praxair board of directors, Credit Suisse rendered its oral opinion to the Praxair board of directors (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the Praxair board of directors dated the same date) as to, as of May 31, 2017, the fairness, from a financial point of view, to the holders of Praxair shares of the Praxair exchange ratio in the merger after giving effect to the exchange of Linde shares for Linde plc shares pursuant to the exchange offer pursuant to the business combination agreement. Thereafter, and following discussion of the factors identified under "The Business Combination - Praxair's Reasons for the Business Combination," the Praxair board of directors determined that the business combination was in the best interest of Praxair's shareholders, and the Praxair board of directors approved the business combination agreement and related agreements.

On May 30, 2017, the executive board of Linde met at a special meeting attended by certain members of the Linde senior management involved with the proposed transaction, representatives of the financial advisors to the executive board of Linde, Morgan Stanley and Perella Weinberg, and representatives of Linde's legal advisors. The executive board of Linde reviewed and considered the terms of the proposed business combination agreement and the financial analyses discussed by Morgan Stanley and Perella Weinberg. Each of Morgan Stanley and Perella Weinberg also advised the executive board that, based upon the proposed terms of the draft business combination agreement, each financial advisor was prepared to render an opinion, as to the fairness, from a financial point of view, to the Linde shareholders of the Linde exchange ratio. On June 1, 2017, Linde's executive board and supervisory board each met at separate special meetings. The executive board of Linde reviewed and considered the terms of the proposed business combination agreement. The executive board of Linde also received the written opinions, each dated June 1, 2017, of each of Morgan Stanley and Perella Weinberg, to the effect that, as of that date and based on and subject to the various assumptions made, procedures followed, matters considered and limitations on the scope of review undertaken by each such financial advisor as described in their respective opinions, the exchange ratio of 1.540 Linde plc shares for each Linde share tendered by Linde shareholders pursuant to the business combination agreement was fair, from a financial point of view, to the Linde shareholders. The supervisory board of Linde reviewed and considered the terms of the proposed business combination agreement and the financial analyses presented by BofA Merrill Lynch and Goldman Sachs, the supervisory board's financial advisors. The supervisory board of Linde also received the oral opinions of each of BofA Merrill Lynch and Goldman Sachs, subsequently confirmed by delivery of written opinions, each dated June 1, 2017, to the effect that, as of that date and based on and subject to the various assumptions made, procedures followed, matters considered and limitations on the scope of review undertaken by each such financial advisor as described in their respective opinions, the exchange ratio of 1.540 Linde plc shares for each Linde share tendered by Linde shareholders pursuant to the business combination agreement was fair, from a financial point of view, to the Linde shareholders. Thereafter, and following discussions of factors identified under "The Business Combination - Linde's Reasons for The Business Combination," Linde's executive and supervisory boards each approved the business combination agreement and related agreements.



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### **Praxair's Reasons for the Business Combination**

After due consideration and consultation with Praxair's management and Praxair's legal and financial advisors, at a meeting held on May 31, 2017, the Praxair board of directors unanimously (i) determined that the merger and the other transactions contemplated by the business combination agreement are consistent with, and will further, the business strategies and goals of Praxair, and are advisable and fair to, and in the best interests of, the Praxair shareholders, (ii) approved and declared advisable the business combination agreement and the transactions contemplated by the business combination agreement, including the merger, and (iii) determined, subject to applicable law, to unanimously recommend that the Praxair shareholders adopt the business combination agreement.

In reaching its determination, the Praxair board of directors considered a number of factors in connection with its evaluation of the proposed transaction, including the material factors mentioned below.

*Strategic Considerations.* The Praxair board of directors considered a number of strategic factors, all of which it viewed as supporting its determination that the business combination agreement, the business combination and the other transactions contemplated by the business combination agreement are fair to and in the best interests of Praxair, Inc. and its shareholders, including the following material factors:

The expectation that the business combination would create a leading integrated global industrial gases company, leveraging the unique strengths of each company by combining Linde's long-standing leadership in technology with Praxair's efficient operating model;

The expectation that the combination of the two companies' complementary strengths would create a company with increased capabilities across a larger global footprint and create a more resilient portfolio, higher growth potential, and an improved ability to develop and provide innovative, reliable and cost-efficient solutions to serve customers;

The expectation that the combined company would benefit from complementary positions in all key geographies and end markets;

The expected ability of the combined group to generate significant shareholder value through annual synergies and cost efficiencies of approximately \$1.2 billion. See "The Business Combination - Certain Unaudited Forward-Looking Financial Information - Certain Synergy and Cost Reduction Estimates" for an estimate of expected synergies and cost efficiencies;

The combined group's (i) pro forma sales of approximately \$29 billion based on Praxair's and Linde's annual results for the fiscal year ended December 31, 2016, prior to any divestitures, and a market value in excess of \$70 billion as of May 31, 2017, and (ii) robust balance sheet and strong cash flow generation, with financial flexibility to invest in future growth; and

The combined company would be named Linde, retaining the globally recognized brand and would be listed on both the New York Stock Exchange and Frankfurt Stock Exchange.

*Other Factors Considered by the Praxair Board of Directors.* In addition to considering the strategic factors described above, the Praxair board of directors considered the following additional material factors, all of which it viewed as supporting its determination that the business combination agreement, the business combination and the other transactions contemplated by the business combination agreement are fair to and in the best interests of Praxair, Inc. and its shareholders:

The Praxair board of directors' understanding of the respective businesses, operations, financial condition, earnings, strategy and prospects of Praxair and Linde, taking into account the due diligence investigation of Linde performed by Praxair's management and Praxair's legal advisors, as well as Praxair's and Linde's historical and projected financial performance;

The current and prospective business climate in the industry in which Praxair and Linde operate, including the impact of a weakening industrial and capital cycle, fluctuating commodity prices and the



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relative weakness in certain emerging markets resulting in comparatively lower levels of investment opportunities and the position of current and likely competitors, including as a result of business combinations such as the merger of Air Liquide, S.A. with Airgas, Inc. in 2016;

Potential strategic alternatives that might be available to Praxair relative to the business combination, including remaining a standalone entity, which the Praxair board of directors evaluated with the assistance of its legal and financial advisors, and the Praxair board of directors belief that the business combination with Linde created the best reasonably available opportunity to maximize value for Praxair shareholders given the potential risks, rewards and uncertainties associated with each alternative, including execution and regulatory risks and achievement of anticipated synergies;

The combined group would integrate the skill sets and capabilities of each of the companies' management teams, governed by a single board of directors with equal representation from both companies, with the chairman of the Linde supervisory board, Prof. Dr. Wolfgang Reitzle, as Chairman, and Praxair, Inc.'s Chairman and CEO, Mr. Steve Angel, as CEO and a member of the board of directors;

The fact that after completion of the business combination former Praxair shareholders and former Linde shareholders would each hold approximately 50% of the outstanding Linde plc shares assuming that all Linde shares are tendered and not withdrawn in the exchange offer, based on the exchange ratio of one Linde plc share for one Praxair share in the merger and of 1.540 Linde plc shares for one Linde share in the exchange offer;

The financial analyses reviewed and discussed with the Praxair board of directors by representatives of Credit Suisse as well as the oral opinion of Credit Suisse rendered to the Praxair board of directors on May 31, 2017 (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the Praxair board of directors dated the same date) as to, as of May 31, 2017, the fairness, from a financial point of view, to the holders of Praxair shares of the Praxair exchange ratio in the Transaction pursuant to the business combination agreement;

The fact that the consideration payable to Praxair shareholders in the merger would be Linde plc shares and, therefore, would allow Praxair shareholders to participate in potential further appreciation of the combined group after the business combination;

The view that the terms and conditions of the business combination agreement and the transactions contemplated thereby, including the covenants, closing conditions and termination provisions, are favorable to completing the business combination;

The view that the minimum acceptance condition would enable Linde plc to initiate the implementation of a domination agreement and/or profit and loss transfer agreement in an efficient timeframe following the

consummation of the exchange offer and the merger; and

The commitment that following the execution of the business combination agreement Praxair and Linde would establish an integration committee to oversee integration of the two companies and would develop and oversee a plan to implement the business strategy of the combined group.

The Praxair board of directors weighed these advantages and opportunities against a number of other material factors, uncertainties and risks identified in its deliberations potentially weighing negatively against the business combination, including:

The risk that the business combination may be delayed or may not be consummated, and the attendant adverse consequences for Praxair's business and financial results as a result of the pendency of the transaction and operational disruption;

The risk that regulatory approvals necessary to consummate the business combination may be delayed or not granted, which may delay or jeopardize the business combination, or that the conditions imposed by regulatory agencies in connection with the business combination, including any divestitures, may

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adversely impact the business, financial condition or results of operations of Praxair, Linde or Linde plc;

The risk that because the exchange ratios are fixed, a change in Praxair's or Linde's financial profile between the date of the business combination agreement and the completion of the business combination, could impact the value of Linde plc shares that Praxair shareholders will receive as consideration in the merger;

The challenges and difficulties of integrating the operations of Praxair and Linde;

The risk that the potential benefits, savings and synergies of the business combination may not be fully or partially achieved, or may not be achievable within the expected timeframe;

A considerable period of time may lapse before Linde plc would be able, if at all, to undertake a squeeze-out transaction to acquire any remaining Linde shares not tendered in the exchange offer;

The risk that the exchange offer could be completed and consummated with a significant amount of outstanding Linde shares not tendered, and that Linde plc may not be able to acquire such remaining Linde shares on a timely basis or at all, and that any such acquisition of such shares may require the payment of different or additional consideration than the consideration paid in the exchange offer;

The risk of diverting management focus and resources from other strategic opportunities and from operational matters while working to implement the business combination, and other potential disruptions associated with combining the businesses and integrating the companies, and the potential effects of such diversion and disruption on the businesses and their respective regulators, customers, employees, suppliers, agents and others with whom they have business dealings;

The risk of litigation challenging the merger, the exchange offer or a post-completion reorganization transaction, which could have a material adverse effect on the operations of the combined company after the business combination or the risk that an adverse judgment granting permanent injunctive relief could indefinitely enjoin completion of such transaction;

The requirement that Praxair, Inc. pay Linde AG a termination fee of \$250 million under certain circumstances. See "The Business Combination Agreement - Termination - Termination Fees";

The substantial costs to be incurred in connection with the business combination, including the costs of integrating the businesses of Praxair and Linde and the one-time transaction expenses arising from the business combination;

The risk that Praxair's shareholders may vote against approval of the business combination agreement; and

Various other risks associated with the business combination and the business of Praxair, Linde and the combined group, some of which are described in the section of this document titled Risk Factors.

The Praxair board of directors also considered the interests that Praxair executive officers, directors and designees to the pre-closing Linde plc board of directors have with respect to the business combination in addition to their interests as Praxair shareholders generally. See Interests of Directors, Board Members and Executive Officers in the Business Combination Praxair, Inc.

Although the foregoing discussion sets forth the material factors considered by the Praxair board of directors in reaching its determination, it is not intended to be exhaustive and may not include all of the factors considered by the Praxair board of directors, and each director may have considered different factors or given different weight to each factor. The above factors are not presented in any order of priority. In view of the variety of factors, the amount of information and the complexity of the matters considered, the Praxair board of directors did not find it practicable to, and did not, make specific assessments of, or assign relative weights to, the specific factors considered in reaching its determination. The explanation of the reasoning of the Praxair board of directors and certain information presented in this section are forward-looking in nature and should be read in light of the factors discussed in the section

Forward-Looking Statements.

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**After careful consideration, the Praxair board of directors concluded that the potentially negative factors associated with the business combination were outweighed by the potential benefits that it expected Praxair, Inc. and its shareholders to achieve as a result of the business combination. Accordingly, the Praxair board of directors unanimously (i) determined that the merger and the other transactions contemplated by the business combination agreement are consistent with, and will further, the business strategies and goals of Praxair, and are advisable and fair to, and in the best interests of, the Praxair shareholders, (ii) approved and declared advisable the business combination agreement and the transactions contemplated by the business combination agreement, including the merger, and (iii) determined, subject to applicable law, to unanimously recommend that the Praxair shareholders adopt the business combination agreement.**

**Linde's Reasons for the Business Combination**

After due consideration and consultation with its outside legal and financial advisors, the executive board of Linde, in its meeting held on June 1, 2017, determined that the business combination, the business combination agreement and the transactions contemplated therein are in the best interest of Linde and its shareholders and unanimously approved the business combination agreement. Also after due consideration and consultation with its outside legal and financial advisors, the supervisory board of Linde, in its meeting held on June 1, 2017, determined that the business combination, the business combination agreement and the transactions contemplated therein are in the best interest of Linde and its shareholders and approved the business combination agreement by a majority vote.

In reaching their determinations, the executive board and the supervisory board of Linde considered a number of different factors relating to the strategic rationale for the combination, including (but not limited to) the material factors discussed in more detail below:

*Strategic Considerations.* The executive board and the supervisory board of Linde expect that the business combination will provide a number of significant strategic opportunities, including:

The expectation that the combined company, operating under the Linde name and brand, will be a leading global company for industrial gases and plant construction, in light of a combined revenue of approximately \$29 billion based on Linde's and Praxair's annual results for the fiscal year ended December 31, 2016, prior to any divestitures, and a combined market capitalization (based on current market capitalization of both companies) of approximately \$70 billion as of May 31, 2017.

The expectation that Linde will benefit from an expanded geographical presence of the combined company due to the complementary regional footprints of Linde and Praxair.

The expectation that the combined company will benefit from the realization of approximately \$1.2 billion ( \$1.1 billion) in annual synergies and cost reductions, targeted to be achieved in approximately 3 years following the closing of the business combination, which are expected to arise from, among other factors, scale benefits (e.g., more efficient capital expenditure allocation), cost savings, and efficiency improvements, including \$310 million ( \$295 million) of savings generated through the LIFT efficiency program. The achievement of these annual synergies and cost reductions is expected to require one-time costs of approximately \$1.0 billion ( \$940 million). See *The Business Combination – Certain Unaudited Forward-Looking Financial Information – Certain Synergy and Cost Reduction Estimates* for an estimate of

annual synergies and cost reductions.

The expectation that the transaction will strengthen Linde's Engineering Division by adding the complementary resources of Praxair, and presenting the opportunity for Linde to combine its engineering resources with the existing Praxair plants.

The fact that Linde and Praxair have common roots, values and visions and the expectation that the combined company will have a major interest in promoting talent and generating value, combining

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Linde's solution-oriented competencies, engineering-driven ideas and process reliability with Praxair's strengths in execution.

The expectation that the combined company will benefit from a combination of Linde's and Praxair's technological strengths, know-how and research & development capabilities, to extend its presence in many end-markets, regions and products to take advantage of growth and emerging trends.

The expectation that the combined company's expected strong balance sheet and cash flows will give it the financial strength to invest in the opportunities it identifies for future, profitable growth.

The expectation of obtaining stronger capital markets ratings for the shares of the combined company compared to the rating for Linde's shares if Linde were to remain a stand-alone company, with the Linde plc shares being listed on both the New York Stock Exchange and the Frankfurt Stock Exchange and the aim that Linde plc will be included in the S&P 500 and DAX 30 indices.

*Other Factors.* In addition to the strategic factors mentioned above, the executive board and the supervisory board of Linde considered the following additional material factors, all of which were deemed to support the determination that the business combination, the business combination agreement and the transactions contemplated therein were in the best interest of Linde and its shareholders, including (but not limited to):

*Participation in Future Appreciation.* The consideration payable to Linde shareholders in the exchange offer will be Linde plc shares and will therefore allow Linde shareholders to benefit from the advantages arising from the combined business while retaining the flexibility to sell the Linde plc shares subsequently.

*Implied ownership.* The exchange ratio consists of 1.540 Linde plc shares for each Linde share tendered, and 1 Linde plc share for each Praxair share. Assuming that all of the Linde shareholders tender their shares in the exchange offer, this will result in the Linde and Praxair shareholders each owning approximately 50% of the shares in Linde plc. Such agreed exchange ratios will also mean a premium of approximately 6.5% for each Linde shareholder on the share price as of November 23, 2016 (*i.e.*, the date Praxair sent a revised proposal letter and draft non-binding term sheet to Linde, the terms of which included a 50:50 ownership structure and an exchange ratio of 1.540 ordinary shares in a newly formed holding company, Linde plc, for each Linde share);

*Fairness Opinions.* The Linde executive board considered the financial analyses and opinions presented to it by Morgan Stanley and Perella Weinberg and the Linde supervisory board considered the financial analyses and opinions presented to it by BofA Merrill Lynch and Goldman Sachs. These financial advisors concluded that, as of the respective dates of such opinions and based upon and subject to the various assumptions made, procedures followed, matters considered and limitations on the scope of review undertaken by each financial advisor as set forth in their respective opinions, the exchange ratio of 1.540 Linde plc shares for each Linde share tendered by Linde shareholders pursuant to the business combination agreement was fair, from a financial point of view, to the Linde shareholders. See Summary Opinions of Financial Advisors to Linde AG;

*Governance.* The target 50:50 ownership between Linde and Praxair will be reinforced by having an equal representation of six board members from each of Linde and Praxair on the board of directors of Linde plc and an equal representation of three key executives each on the Management Committee which comprises the key executives from both Praxair and Linde who directly report to the CEO of Linde plc. Prof. Dr. Wolfgang Reitzle (from Linde) will be Chairman of the board of directors of Linde plc while Mr. Stephen F. Angel (from Praxair) will be the CEO and a member of the board of directors of Linde plc. The operations of the business conducted by the Linde plc group will be appropriately divided between Munich and Danbury. This equal balance of power at both the board and shareholder level, as well as two operating locations, will help to integrate the skill sets and capabilities of each of the companies;

*Continued employment.* The Linde executive and supervisory boards considered it important that the business combination agreement acknowledges prior commitments with respect to the Linde



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workforce. Further, the Linde executive and supervisory boards considered that the combined company is expected to be a highly attractive employer; and

*Alternatives.* The members of Linde's executive and supervisory boards also considered several alternatives, such as growing Linde organically or inorganically, that might be available in the future to Linde and whether these other options might be stronger or weaker in light of the predicted changes in the market. With respect to the alternative of growing as a stand-alone company, it was analyzed that such alternative was expected to provide lower value creation for Linde shareholders than the business combination with Praxair and would not allow for the advantages expected from such business combination, including the creation of a leading company for industrial gases and plant construction, the potential to obtain stronger capital markets ratings for the shares of the combined company compared to the rating of Linde shares and the attractiveness for employees in light of global career opportunities. The alternative of a potential merger of equals or takeover of another participant in the gases industry was rejected for the following reasons: any leak of potential parallel evaluation processes would have jeopardized the discussions with Praxair; and it was considered unlikely that the same effects, in particular with regard to synergies, could be realized in such alternative transaction. After careful consideration of the advantages, disadvantages and risks involved in each of the alternatives, the Linde executive and supervisory boards therefore concluded that there were considerable disadvantages and risks as well as fewer potential benefits for Linde and its shareholders in connection with the other alternatives compared to the business combination with Praxair.

The Linde executive board and supervisory board also carefully considered a variety of risks, uncertainties and other potentially negative factors concerning the business combination, the business combination agreement and the transactions contemplated therein, including (but not limited to) the following:

the risk that completion may not take place within the planned time period or at all, for example if the conditions to completion are not satisfied, including the risk that the minimum acceptance condition is not satisfied, which could result in a failure of the exchange offer or could make the proposed business combination commercially unfeasible, and the risk that some Linde shareholders decide not to exchange their shares and the potential value leakage arising therefrom in case of a subsequent squeeze-out or domination and/or loss and profit transfer agreement, or if the parties are not in a position to fulfill the conditions for the proposed combination in a timely manner or at all;

the risk that intervening events, changes or other circumstances (that, for example, trigger a material adverse change clause or result in the non-fulfillment of conditions precedent to the transaction) could lead to the termination of the business combination or the termination of certain covenants that oblige Linde and Praxair to cooperate and use reasonable best efforts to consummate the transaction;

the risk that the regulatory approvals necessary to consummate the business combination may be delayed or not granted, which may delay or jeopardize the business combination, or that a regulator or other body imposes restrictions or divestitures on the business combination, compliance with which would be necessary but could adversely impact the business of Linde, Praxair or the combined entity;

the risk that tax laws and regulations as well as their interpretation may cause the consolidated tax burden of Praxair, Linde or Linde plc to increase or create tax leakages reducing the overall combined net income of Praxair and Linde;

the risk that either Linde or Praxair suffers a fundamental deterioration in its respective financial position;

the possibility that the Praxair shareholders do not approve the business combination agreement;

the challenges, difficulties and costs of integrating the operations of Praxair and Linde, including the challenges involved with developing a new, integrated corporate culture as well as the risks associated with the diversion of management and employee attention from operational matters and from other business opportunities;

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the substantial transaction costs involved in undertaking the business combination and negotiating the necessary agreements;

the risk that the business combination could adversely affect employees or the corporate culture of Linde;

the risk that the combined company will be dependent on certain key managers and executives and the risk of employee dissatisfaction, demotivation or resignation triggered by the proposed business combination, including the risk that Linde or Praxair may be unable to retain employees in key positions or may have difficulties streamlining the current separate workforces of Linde and Praxair;

the ability of Linde to sustain relationships with particular clients, contractors and customers during the period prior to the closing of the business combination and of the combined entity to keep such relationships following consummation of the business combination, as well as the risk that joint former customers of Linde and Praxair may demand new contracts on better terms;

the risk that the anticipated advantages for Linde plc may be smaller than expected or may not be achieved within the expected timeframe, for example if Linde plc were unable to achieve the expected synergies and cost reductions due to an unsuccessful integration;

the risk that the combined company's portfolio leads to unintended problems, such as over-exposure to certain regional or product-related markets;

the risk of value leakage (or other difficulties) arising from Linde or Praxair having to divest parts of their business, deconsolidate joint ventures, or address terms in pre-existing contracts implicated by the business combination (such as the triggering of change of control clauses);

the risk that the combined group may be subject to restrictions on operations and business practices in particular in embargoed and sanctioned countries, including the risk that Linde may become subject to more stringent or cumbersome procedures as a result of the business combination and the transaction structure and that it may lose existing business or be limited in its ability to generate new business in these or other countries;

the risk that the anticipated capital market value-add is not achieved due to uncertainties arising from the new valuation of the company and the risk that Linde plc may not be included in the S&P 500 and/or the DAX 30;

the risk that active shareholders initiate litigation challenging the merger, the exchange offer or a post-completion reorganization transaction or any other measure which aims at delaying or blocking the successful completion of the business combination; and

several other risks that are contained in the annual and interim reports of Linde or in any public filing of Praxair or Linde plc (which can be found on the SEC's website) and risks associated with the business combination and the business of Linde, Praxair and the combined group, in particular those set out under the heading "Risk Factors" of this document.

The Linde executive board and supervisory board also considered the interests that executive and supervisory board members, and Linde AG's designees to the pre-closing Linde plc board of directors, have with respect to the business combination.

Although the foregoing discussion sets forth the material factors considered by the Linde executive and supervisory boards in reaching their determination, it is not intended to be exhaustive and may not include all of the factors considered by the Linde executive and supervisory boards, and each board member may have considered different factors or given different weight to each factor. The above factors are not presented in any order of priority. In view of the variety of factors, the amount of information and the complexity of the matters considered, the Linde executive and supervisory boards did not find it practicable to, and did not, make specific assessments of, or assign relative weights to, the specific factors considered in reaching their determination. The

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explanation of the reasoning of the Linde executive and supervisory boards and certain information presented in this section are forward-looking in nature and should be read in light of the factors discussed in the section

Forward-Looking Statements.

**After careful consideration, the Linde executive and supervisory boards concluded that the potentially negative factors associated with the business combination were outweighed by the potential benefits that they expected Linde and its shareholders to achieve as a result of the business combination. Accordingly, the Linde executive and supervisory boards each (i) determined that the exchange offer and the other transactions contemplated by the business combination agreement are consistent with, and will further, the business strategies and goals of Linde and that they are in the best interests of Linde and its shareholders, (ii) approved the transactions contemplated by the business combination agreement, including the exchange offer, and (iii) determined, subject to the review of the exchange offer document and its fiduciary duties under German law, in its statement on the exchange offer under Section 27 of the German Takeover Act, that it will recommend that the Linde shareholders accept the exchange offer and tender their Linde shares in the exchange offer.**

**Certain Unaudited Forward-Looking Financial Information*****Certain Praxair and Linde Forward-Looking Financial Information***

While Praxair and Linde in the regular course provide certain unaudited forward-looking information for their respective current fiscal years as described in Management's Discussion and Analysis of Financial Condition and Results of Operations of Praxair Executive Summary Financial Results & Outlook, and Management's Discussion and Analysis of Financial Condition and Results of Operations of Linde Outlook they generally do not make public long-term financial forward-looking information due to, among other reasons, the uncertainty, unpredictability and subjectivity of the underlying assumptions and estimates. As a result, neither Praxair, Linde nor Linde plc endorse the unaudited forward-looking financial information described in this section as a reliable indication of future results. Praxair has included in this section certain limited unaudited forward-looking financial information solely because this information was used, along with other information, to prepare financial information that Praxair management reviewed with the Praxair board of directors in connection with its evaluations of the proposed business combination and provided to Praxair's financial advisor who was instructed by Praxair to use and rely upon such information for purposes of providing advice to the Praxair board of directors. Linde has included in this section certain limited unaudited financial information solely because this information was used, along with other information, to prepare financial information that Linde management reviewed with the Linde executive and supervisory boards in connection with its evaluations of the proposed business combination and provided to Linde's financial advisors who were instructed by Linde to use and rely upon such information for purposes of providing advice to the Linde executive and supervisory boards. Praxair made available certain financial information to Linde on a confidential basis, including the Praxair forward-looking financial information presented in the table below (which is herein referred to as Praxair Forward-Looking Financial Information), in connection with Linde's evaluation of the business combination, and Linde made available certain financial information to Praxair on a confidential basis, including the Linde forward-looking financial information presented in the table below (which is herein referred to as Linde Forward-Looking Financial Information), in connection with Praxair's evaluation of the business combination. The unaudited forward-looking financial information was based on estimates and assumptions made by Praxair's and Linde's managements in the first and second quarter of 2017 and speak only as of the times such information was prepared. Except to the extent required by applicable law, neither Praxair, Linde nor Linde plc intend to update or revise the forward-looking financial information included in this document.

The unaudited forward-looking financial information presented below is unaudited forward-looking financial information prepared by Praxair management and Linde management, respectively. The inclusion of this unaudited

forward-looking financial information should not be regarded as an indication that any of Praxair, Linde, Linde plc, their respective financial advisors or any of their respective affiliates, officers, directors,

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partners, advisors or other representatives considered, or now considers, it to be an accurate prediction of actual future results, and readers of this document are cautioned not to rely on this forward-looking information. There can be no assurance that the forward-looking results will be achieved or that actual results will not be significantly higher or lower than estimated.

Since the unaudited forward-looking financial information below covers multiple years, such information by its nature becomes less predictable with each successive year. The unaudited forward-looking financial information is based on numerous variables and assumptions that are inherently uncertain, many of which are beyond the control of Praxair's and Linde's managements. These variables and assumptions are based on information available at the time of preparation and include industry performance, competition, general business, economic, regulatory, market and financial conditions which are driven by global macro-economic forecasts. Additionally, the forecasts are based on estimates regarding the business, financial condition and results of operations of Praxair and Linde including estimates of key operating factors such as capital expenditures and acquisition activity. Any changes in such factors may cause the unaudited forward-looking financial information or the underlying assumptions to be inaccurate. Important factors that may affect actual results are described in the section Forward-Looking Statements. In addition, Praxair and Linde shareholders are urged to review the SEC filings of Praxair for a description of risk factors with respect to the business of Praxair and the risk factors described in Risk Factors Risks Relating to the Business of Praxair with respect to the business of Praxair and the risk factors described in Risk Factors Risks Relating to the Business of Linde with respect to the business of Linde. The unaudited forward-looking financial information was prepared solely for internal purposes of Praxair and Linde and as a basis for the opinions of their respective financial advisors and it was not prepared with a view toward compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of forward-looking financial information, U.S. GAAP or IFRS. Neither the independent accountants of Praxair, Linde, Linde plc, nor any other independent accountants have audited, reviewed, compiled or performed any procedures with respect to the accompanying unaudited forward-looking financial information for the purpose of its inclusion herein, and accordingly, no such accountants have expressed any opinion or provided any form of assurance with respect thereto for the purpose of this document. The reports of Praxair's and Linde's independent accountants included in this document relate solely to the historical financial information of Praxair and Linde, respectively. They do not extend to the unaudited forward-looking financial information and should not be read to do so. The accompanying unaudited forward-looking financial information includes certain financial measures that are not consistent with U.S. GAAP or IFRS. Financial measures that are not consistent with U.S. GAAP and IFRS should not be considered in isolation from, or as a substitute for, financial information presented in compliance with U.S. GAAP and IFRS, and financial measures that are not consistent with U.S. GAAP or IFRS as used by Praxair or Linde may not be comparable to similarly titled amounts used by other companies. The footnotes to the table below provide certain supplemental information with respect to the calculation of these financial measures that are not consistent with U.S. GAAP or IFRS. The unaudited forward-looking financial information does not take into account any circumstances or events occurring after the date it was prepared and does not give effect to the business combination nor is it indicative for future results of the combined group.

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The following table presents the Praxair Forward-Looking Financial Information that Praxair management used, along with other information, to prepare information that it reviewed with the Praxair board of directors and provided to Praxair's financial advisor who was instructed by Praxair to use and rely upon such information for purposes of providing advice to the Praxair board of directors. This Praxair Forward-Looking Financial Information was also provided to Linde and used by Linde management, along with other information, to prepare information that it reviewed with the Linde executive and supervisory boards and provided to Linde's financial advisors who were instructed by Linde to use and rely upon such information for purposes of providing advice to the Linde executive and supervisory boards.

(\$ in millions)	Praxair Forward-Looking Financial Information			
	2017E	2018E	2019E	2020E
Sales	\$ 10,951	\$ 11,603	\$ 12,076	\$ 12,749
Adjusted EBITDA <sup>(1)</sup>	3,608	3,883	4,077	4,365
Operating profit	2,438	2,644	2,787	3,003
Capital expenditures and acquisitions	1,429	1,499	1,563	1,711
Unlevered free cash flow <sup>(2)</sup>	1,461	1,564	1,675	1,731

- (1) Adjusted EBITDA is calculated as follows: net income (including income from non-controlling interests) plus interest expense, plus income taxes plus depreciation and amortization and less equity income. Adjusted EBITDA is a non-GAAP and non-IFRS measure and should not be considered as an alternative to cash flows or a measure of liquidity.
- (2) Unlevered free cash flow is calculated as follows: Operating cash flow less capital expenditures and acquisitions plus after tax interest expense. Unlevered free cash flow is a non-GAAP and non-IFRS measure and should not be considered as an alternative to cash flows or a measure of liquidity.

The following table presents certain additional selected unaudited forward-looking financial information for Praxair. Praxair management used this information, along with other information, to prepare information that it reviewed with the Praxair board of directors in connection with its evaluation of the proposed business combination and provided to Praxair's financial advisor which was instructed by Praxair to use and rely upon such information for purposes of providing advice to the Praxair board of directors. This information was not relied upon by the Linde executive or supervisory board or Linde's financial advisors in their evaluation of the business combination.

(\$ in millions)	2021E
Sales	\$ 13,255
Adjusted EBITDA <sup>(1)</sup>	4,565
Operating profit	3,149
Capital expenditures and acquisitions	1,782
Unlevered free cash flow <sup>(2)</sup>	1,839

- (1) Adjusted EBITDA is calculated as follows: net income (including income from noncontrolling interests) plus interest expense, plus income taxes plus depreciation and amortization and less equity income. Adjusted EBITDA is a non-GAAP and non-IFRS measure and should not be considered as an alternative to cash flows or a measure



of liquidity.

- (2) Unlevered free cash flow is calculated as follows: Operating cash flow less capital expenditures and acquisitions plus after tax interest expense. Unlevered free cash flow is a non-GAAP and non-IFRS measure and should not be considered as an alternative to cash flows or a measure of liquidity.

The following table presents Linde Forward-Looking Financial Information that Linde management used, along with other information, to prepare information that it reviewed with the Linde executive and supervisory boards in connection with its evaluation of the proposed business combination and provided to Linde's financial advisors who were instructed by Linde to use and rely upon such information for purposes of providing advice to the Linde executive and supervisory boards. This Linde Forward-Looking Financial Information was also provided to Praxair and used by Praxair management, along with other information, to prepare information that it

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provided to Praxair's financial advisor which was instructed by Praxair to use and rely upon such information for purposes of providing advice to the Praxair board of directors.

<i>( in millions)</i>	<b>Linde Forward-Looking Financial Information</b>			
	<b>2017E</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>
Revenue	17,334	18,106	18,601	19,084
Adjusted EBITDA <sup>(1)</sup>	4,248	4,442	4,632	4,833
Net profit on operating activities – continuing operations <sup>(2)</sup>	1,994	2,402	2,555	2,701
Capital expenditures and acquisitions	1,811	1,995	2,116	2,176
Unlevered free cash flow <sup>(3)</sup>	1,572	1,627	1,608	1,688

- (1) Adjusted EBITDA is calculated as follows: profit for the year from continuing operations, plus income tax expense, plus financial income and expenses, plus amortization of intangible assets/depreciation of tangible assets and plus restructuring costs. Adjusted EBITDA is a non-GAAP and non-IFRS measure and should not be considered as an alternative to cash flows or a measure of liquidity.
- (2) Net profit on operating activities – continuing operations is calculated as earnings before interest and income taxes. Net profit on operating activities – continuing operations is a non-GAAP and non-IFRS measure and should not be considered as an alternative to cash flows or a measure of liquidity.
- (3) Unlevered free cash flow is calculated as Adjusted EBITDA adjusted for capital expenditures and acquisitions, changes in trade working capital and tax cash out and other cash flows and minus restructuring costs. Unlevered free cash flow is a non-GAAP and non-IFRS measure and should not be considered as an alternative to cash flows or a measure of liquidity.

The following table presents certain additional selected unaudited forward-looking financial information for Linde extrapolated by Praxair management from the Linde Forward-Looking Financial Information. Praxair management used this information, along with other information, to prepare information that it provided to Praxair's financial advisor which was instructed by Praxair to use and rely upon such information for purposes of providing advice to the Praxair board of directors. This information reflects Praxair management's expectations regarding Linde's future prospects, expected margins and revenue recognition. It was not relied upon by the Linde executive or supervisory board or Linde's financial advisors in their evaluation of the business combination.

<i>( in millions)</i>	<b>2021E</b>
Revenue	19,847
Adjusted EBITDA <sup>(1)</sup>	5,067
Net profit on operating activities – continuing operations <sup>(2)</sup>	2,884
Capital expenditures and acquisitions	2,300
Unlevered free cash flow <sup>(3)</sup>	1,741

- (1) Adjusted EBITDA is calculated as follows: profit for the year from continuing operations, plus income tax expense, plus financial income and expenses, plus amortization of intangible assets/depreciation of tangible assets and plus restructuring costs. Adjusted EBITDA is a non-GAAP and non-IFRS measure and should not be considered as an alternative to cash flows or a measure of liquidity.

- (2) Net profit on operating activities continuing operations is calculated as earnings before interest and income taxes. Net profit on operating activities continuing operations is a non-GAAP and non-IFRS measure and should not be considered as an alternative to cash flows or a measure of liquidity.
- (3) Unlevered free cash flow is calculated as Adjusted EBITDA adjusted for capital expenditures and acquisitions, changes in trade working capital and tax cash out and other cash flows and minus restructuring costs. Unlevered free cash flow is a non-GAAP and non-IFRS measure and should not be considered as an alternative to cash flows or a measure of liquidity.

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Although presented with numerical specificity, the above selected unaudited forward-looking financial information reflects numerous assumptions and estimates as to future events made by the Praxair management and the Linde management, respectively. At the dates the unaudited forward-looking financial information was prepared, the Praxair management and the Linde management believed such assumptions and estimates were reasonable. In preparing the foregoing unaudited forward-looking financial information, the Praxair management and the Linde management made assumptions regarding, among other things: changing market conditions, pricing and volume of products and services sold, costs, interest rates, corporate financing activities, including amount and timing of the issuance of debt, the timing and amount of ordinary share issuances, effective tax rates, and general and administrative costs.

No assurances can be given that the assumptions made in preparing the selected unaudited forward-looking financial information will accurately reflect future conditions. The estimates and assumptions underlying the selected unaudited forward-looking financial information involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions which may not be realized and that are inherently subject to significant business, economic, competitive and regulatory uncertainties and contingencies, including, among others, risks and uncertainties described in Risk Factors and Forward-Looking Statements, all of which are difficult to predict and many of which are beyond the control of Praxair and/or Linde and will be beyond the control of the combined group. There can be no assurance that the underlying assumptions will prove to be accurate or that the projected results will be realized, and actual results likely will differ, and may differ materially, from those reflected in the unaudited forward-looking financial information, whether or not the business combination is completed.

No representation is made by Praxair, Linde, Linde plc, their respective financial advisors or any of their respective affiliates, officers, directors, partners, advisors or other representatives to any Praxair or Linde shareholder regarding the ultimate performance of Praxair, Linde or the combined group compared to the information included in the above unaudited forward-looking financial information.

PRAXAIR, LINDE AND LINDE PLC HAVE NOT UPDATED OR OTHERWISE REVISED AND DO NOT INTEND TO UPDATE OR OTHERWISE REVISE FOR PURPOSES OF THIS DOCUMENT THE ABOVE UNAUDITED FORWARD-LOOKING FINANCIAL INFORMATION TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE PREPARED OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH FORWARD-LOOKING FINANCIAL INFORMATION ARE NO LONGER APPROPRIATE, EXCEPT AS MAY BE REQUIRED BY LAW.

***Certain Synergy and Cost Reduction Estimates***

The limited unaudited pro forma synergy and cost reduction estimates set forth below have been jointly prepared by Praxair management and Linde management and made available to the Praxair board and the Linde executive and supervisory boards in connection with their evaluations of the business combination and provided to Praxair's and Linde's respective financial advisors who were instructed to use and rely upon such information for purposes of providing advice to the Praxair board of directors and the Linde executive and supervisory boards, respectively. These limited unaudited pro forma synergy and cost reduction estimates were based on numerous variables and assumptions that are inherently uncertain, many of which are beyond the control of Linde's and Praxair's management and will be beyond the control of Linde plc's management. The synergy and cost reduction estimates assumed that the business combination would be consummated and that the expected benefits of the business combination would be realized, including that no restrictions, terms or other conditions would be imposed in connection with the receipt of any necessary governmental, regulatory or other approvals or consents in connection with the consummation of the business combination. For further information regarding the assumptions and uncertainties underlying the estimates,

refer to the section titled Certain Praxair and Linde Forward Looking Financial Information. Additional important factors that may affect actual results are described in the section Forward-Looking Statements. Praxair and Linde shareholders are also urged to review

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the SEC filings of Praxair and the risk factors described in Risk Factors Risks Relating to the Business of Praxair with respect to the business of Praxair and the risk factors described in Risk Factors Risks Relating to the Business of Linde with respect to the business of Linde. As a result of the above, neither Praxair, Linde nor Linde plc endorse these unaudited pro forma synergy and cost reduction estimates as a reliable indication of the amount of synergies that will be achieved in the future.

The unaudited pro forma synergy and cost reduction estimates were not prepared with a view toward compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of forward-looking financial information, U.S. GAAP or IFRS. Neither the independent accountants of Praxair or Linde nor any other independent accountants have audited, reviewed, compiled or performed any procedures with respect to the accompanying unaudited pro forma synergy and cost reduction estimates for the purpose of inclusion herein, and accordingly, no such accountants have expressed any opinion or provided any form of assurance with respect thereto for the purpose of this document.

Praxair and Linde believe that the business combination brings together two leading companies with unique and complementary strengths. The combined group will have a strong position in all key geographies and end markets, and will result in a more diverse and balanced global portfolio. The combined group is also expected to realize approximately \$1.2 billion ( 1.1 billion) in annual synergies and cost reductions, which are targeted to be achieved within approximately 3 years following the closing of the business combination. These synergies and cost reductions are expected to arise from, among other factors, scale benefits, cost savings, and efficiency improvements, including existing cost reduction programs. There will be expected one-time costs of achieving these synergies and cost reductions which are estimated to be approximately \$1.0 billion ( 0.9 billion), including estimated transaction costs of \$0.2 billion ( 0.2 billion).

The majority of expected savings would be primarily driven by cost synergies and reductions (including improvements of internal processes and streamlining of organizational structures) which are expected to total approximately \$1.0 billion ( 0.9 billion). These saving estimates are based on the combined group's 2016 year-end financial position. The figures include existing cost reduction programs of Praxair and Linde which are independent of the business combination. However, Linde plc intends to achieve the total amount of synergies and efficiency savings irrespective of the allocation to the respective underlying drivers. For further details regarding such programs of Linde and how savings in connection therewith are reflected in the estimation of the synergies and cost reductions see Management's Discussion and Analysis of Financial Condition and Results of Operations of Linde Factors Affecting Results of Operations Restructuring Costs/Special Items.

The remaining savings of approximately \$0.2 billion ( 0.2 billion) are expected to be achieved from a reduction in capital expenditure through more efficient asset utilization, plant and distribution asset optimization and the avoidance of replacement capital in the overlapping geographies.

Finally, additional revenue growth related synergies may be achieved through cross-selling efforts and leveraging the combined group's expanded global reach and product portfolio.

The unaudited pro forma synergy and cost reduction estimates also reflect assumptions as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in these estimates. Accordingly, there can be no assurance that these estimates will be realized.

PRAXAIR, LINDE AND LINDE PLC HAVE NOT UPDATED OR OTHERWISE REVISED AND DO NOT INTEND TO UPDATE OR OTHERWISE REVISE FOR PURPOSES OF THIS DOCUMENT THE ABOVE UNAUDITED PRO FORMA SYNERGY AND COST REDUCTION ESTIMATES TO REFLECT

CIRCUMSTANCES EXISTING AFTER THE DATE PREPARED OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH ESTIMATES ARE NO LONGER APPROPRIATE, EXCEPT AS MAY BE REQUIRED BY LAW.

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**Opinion of Financial Advisor to Praxair**

On May 31, 2017, Credit Suisse rendered its oral opinion to the Praxair board of directors (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the Praxair board of directors dated the same date) as to, as of May 31, 2017, the fairness, from a financial point of view, to the holders of Praxair shares of the Praxair exchange ratio in the Transaction pursuant to the business combination agreement.

**Credit Suisse's opinion was directed to the Praxair board of directors (in its capacity as such), and only addressed the fairness, from a financial point of view, to the holders of Praxair shares of the Praxair exchange ratio in the Transaction pursuant to the business combination agreement and did not address any other aspect or implication (financial or otherwise) of the business combination. The summary of Credit Suisse's opinion in this document is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex F to this document and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion. However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this document are intended to be, and they do not constitute, advice or a recommendation to any holder of Praxair shares as to how such holder should vote or act on any matter relating to the business combination.**

In arriving at its opinion, Credit Suisse:

reviewed a draft, dated May 25, 2017, of the business combination agreement;

reviewed certain publicly available business and financial information relating to Praxair and Linde;

reviewed certain other information relating to Praxair, including financial forecasts relating to Praxair prepared and provided to Credit Suisse by the management of Praxair (the Praxair Projections );

reviewed certain other information relating to Linde, including financial forecasts relating to Linde prepared and provided to Credit Suisse by the management of Linde (the Linde Projections ) and an extension of the Linde Projections prepared and provided to Credit Suisse by the management of Praxair (the Praxair Projections for Linde );

reviewed certain estimates jointly prepared and provided to Credit Suisse by the managements of Praxair and Linde with respect to the cost savings and synergies anticipated by the managements of Praxair and Linde to result from the business combination (the Synergies );

spoke with the managements of Praxair and Linde regarding the business combination and the business and prospects of Praxair, Linde and the pro forma combined company resulting from the business combination;



considered certain financial and stock market data of Praxair and Linde and compared that data with similar data for other companies with publicly traded equity securities in businesses Credit Suisse deemed similar to those of Praxair and Linde, respectively; and

considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which Credit Suisse deemed relevant.

In connection with its review, Credit Suisse did not independently verify any of the foregoing information and, at Praxair's direction and with Praxair's consent, Credit Suisse assumed and relied upon such information being complete and accurate in all respects. With respect to the Praxair Projections, management of Praxair advised Credit Suisse and Credit Suisse assumed that the Praxair Projections were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of Praxair as to the future financial performance of Praxair for the fiscal years contemplated therein. With respect to the Linde Projections, management of Linde advised Credit Suisse and Credit Suisse assumed that the Linde Projections

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were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of Linde as to the future financial performance of Linde for the fiscal years contemplated therein. With respect to the Praxair Projections for Linde, management of Praxair advised Credit Suisse and Credit Suisse assumed that the Praxair Projections for Linde were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of Praxair as to the future financial performance of Linde for the fiscal years contemplated therein. With respect to the Synergies anticipated by managements of Praxair and Linde to result from the business combination, the managements of Praxair and Linde advised Credit Suisse and Credit Suisse assumed that such forecasts were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the managements of Praxair and Linde as to such cost savings and synergies. Credit Suisse expressed no view or opinion with respect to the Praxair Projections, the Linde Projections, the Praxair Projections for Linde, the Synergies or the assumptions and methodologies upon which they were based and, at the direction of management of Praxair, Credit Suisse assumed that the Synergies would be realized in the amounts and the times indicated thereby. At the direction of management of Praxair, Credit Suisse further assumed that the Praxair Projections, the Linde Projections, the Praxair Projections for Linde and the Synergies were a reasonable basis on which to evaluate Praxair, Linde and the business combination and Credit Suisse used and relied upon such estimates and judgments for purposes of its analyses and opinion.

For purposes of its analyses and opinion Credit Suisse, with Praxair's agreement, assumed that (i) all of the issued and outstanding Linde shares would be exchanged for Linde plc shares at the Linde exchange ratio pursuant to the exchange offer, (ii) except as would not be material to its analyses or opinion, immediately following the consummation of the business combination the only assets and liabilities of Linde plc would be the consolidated assets and liabilities of Praxair and Linde immediately prior to the consummation of the business combination, and (iii) immediately following the consummation of the business combination, the issued capital of Linde plc would solely consist of the Linde plc shares issued in the merger or upon completion of the exchange of Linde shares for Linde plc shares pursuant to the exchange offer.

In addition, Credit Suisse relied upon, without independent verification the assessments of the management of Praxair with respect to the ability of the pro forma combined company to integrate the businesses of Praxair and Linde. With Praxair's consent, Credit Suisse also assumed that, except as would not be material to Credit Suisse's analyses or opinion, in the course of obtaining any regulatory or third party consents, approvals or agreements in connection with the business combination, no modification, delay, limitation, restriction or condition would be imposed that would have an adverse effect on Praxair, Linde or the contemplated benefits of the business combination. With Praxair's agreement, for purposes of its opinion, Credit Suisse did not evaluate or consider the impact of any potential divestitures of businesses or assets that may be required or any limitations, restrictions or conditions that may be imposed by any governmental or regulatory authority in connection with or as a condition or result of the business combination. With Praxair's consent, Credit Suisse also assumed that the business combination would be consummated in accordance with all applicable foreign, federal, state and local laws and in accordance with the terms of the business combination agreement, including the exchange offer, without waiver, modification or amendment of any term, condition or agreement thereof material to its analyses or opinion. In addition, Credit Suisse was not requested to make, and did not make, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Praxair or Linde, nor was Credit Suisse furnished with any such evaluations or appraisals. Credit Suisse also assumed that the final form of the business combination agreement, when executed by the parties thereto, would conform to the draft reviewed by Credit Suisse in all respects material to its analyses and opinion.

Credit Suisse's opinion addressed only the fairness, from a financial point of view, to the holders of Praxair shares of the Praxair exchange ratio in the Transaction pursuant to the business combination agreement in the manner set forth in the opinion and did not address any other aspect or implication of the business combination, the business combination agreement or any other agreement, arrangement or understanding entered into in connection therewith or

otherwise, including without limitation any post-closing reorganization or sale, divestiture, spin-off, split-off or other disposition of any businesses or assets of Praxair, Linde or the pro forma

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combined company resulting from the business combination. In addition, other than assuming that the exchange pursuant to the exchange offer would be consummated immediately prior to the merger, Credit Suisse's opinion did not address or otherwise take into account any terms, aspects or implications of the exchange pursuant to the exchange offer or the structure of the business combination or any fees or expenses incurred as a result thereof. Furthermore, Credit Suisse's opinion did not address (i) the fairness of the Linde exchange ratio to any participant in the business combination or any of their respective security holders, (ii) the fairness of the Linde exchange ratio relative to the Praxair exchange ratio or (iii) the fairness of the amount or nature of, or any other aspect relating to, any compensation or consideration to be received or otherwise payable to any officers, directors, employees, security holders or affiliates of any party to the business combination, or class of such persons, relative to the Praxair exchange ratio, the Linde exchange ratio or otherwise. Furthermore, Credit Suisse did not express any advice or opinion regarding matters that require legal, regulatory, accounting, insurance, intellectual property, tax, environmental, executive compensation or other similar professional advice. Credit Suisse assumed that Praxair had or would obtain such advice or opinions from the appropriate professional sources. The issuance of Credit Suisse's opinion was approved by an authorized internal committee of Credit Suisse.

Credit Suisse did not investigate or otherwise evaluate, and its opinion does not address, the potential effects of the business combination or any related actions or transactions on the credit ratings of Praxair, Linde or Linde plc, the foreign, federal, state or other taxes or tax rates payable by Praxair, Linde or Linde plc or any regulatory or other fees and expenses payable by Praxair, Linde or Linde plc and, with Praxair's consent, Credit Suisse assumed that, except as would not be material to its analyses or opinion, such credit ratings, taxes and tax rates and such regulatory and other fees and expenses would not be adversely affected by or after giving effect to the business combination or any related actions or transactions. Credit Suisse's opinion was necessarily based on information made available to Credit Suisse as of the date of its opinion and upon financial, economic, market and other conditions as they existed and could be evaluated on the date of its opinion. Credit Suisse did not undertake, and is under no obligation, to update, revise, reaffirm or withdraw its opinion, or otherwise comment on or consider events occurring or coming to its attention after the date of its opinion. Credit Suisse did not express any opinion as to what the value of the Linde plc shares actually would be when issued to the holders of Praxair shares in the merger or the prices or ranges of prices at which Praxair shares, Linde shares or Linde plc shares may be purchased or sold at any time. Credit Suisse assumed that the Linde plc shares to be issued in the business combination would be approved for listing on the regulated market of the Frankfurt Stock Exchange and the New York Stock Exchange prior to the consummation of the business combination. Credit Suisse's opinion did not address the relative merits of the business combination as compared to alternative transactions or strategies that might be available to Praxair, nor did it address the underlying business decision of the Praxair board of directors or Praxair to proceed with or effect the business combination.

In preparing its opinion to the Praxair board of directors, Credit Suisse performed a variety of analyses, including those described below. The summary of Credit Suisse's financial analyses is not a complete description of the analyses underlying Credit Suisse's opinion. The preparation of such an opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytic methods employed and the adaptation and application of those methods to the unique facts and circumstances presented. As a consequence, neither Credit Suisse's opinion nor the analyses underlying its opinion are readily susceptible to partial analysis or summary description. Credit Suisse arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, analytic method or factor. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses, analytic methods and factors, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying Credit Suisse's analyses and opinion.

In performing its analyses, Credit Suisse considered business, economic, industry and market conditions, financial and otherwise, and other matters as they existed on, and could be evaluated as of, the date of its opinion.

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No company or business used in Credit Suisse's analyses for comparative purposes is identical to Praxair, or Linde or the pro forma combined company resulting from the business combination and an evaluation of the results of those analyses is not entirely mathematical. The financial analyses performed by Credit Suisse were performed for analytical purposes only, were not intended to be and should not be construed as actual valuations or appraisals of Praxair, Linde or the pro forma combined company resulting from the business combination or their respective equity securities and are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. While the results of each analysis were taken into account in reaching its overall conclusion with respect to fairness, Credit Suisse did not make separate or quantifiable judgments regarding individual analyses. In addition, any analyses relating to the value of assets, businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold, which may depend on a variety of factors, many of which are beyond the control of Praxair and Linde. Much of the information used in, and accordingly the results of, Credit Suisse's analyses are inherently subject to substantial uncertainty.

Credit Suisse's opinion and analyses were among many factors considered by the Praxair board of directors in evaluating the proposed business combination. Neither Credit Suisse's opinion nor its analyses were determinative of the Praxair exchange ratio, the Linde exchange ratio or of the views of the Praxair board of directors with respect to the proposed business combination. Under the terms of its engagement, neither Credit Suisse's opinion nor any other advice or services rendered by it to Praxair or the Praxair board of directors in connection with the proposed business combination or otherwise, should be construed as creating, and Credit Suisse will not be deemed to have, any fiduciary, agency or similar duty to the Praxair Board, Praxair, Linde, the pro forma combined company resulting from the proposed business combination, any security holder or creditor of Praxair, Linde, the pro forma combined company resulting from the proposed business combination or any other person, regardless of any prior or ongoing advice or relationships. Under the terms of its engagement, Credit Suisse was retained by Praxair as an independent contractor and the opinion and other advice rendered by Credit Suisse were provided solely for the use and benefit of the Praxair board of directors (solely in its capacity as such) in connection with its evaluation of the proposed business combination. As a matter of applicable state law in the United States, Credit Suisse believes the opinion and other advice of Credit Suisse may not be used or relied upon by any other person without its prior written consent. *See e.g., Joyce v. Morgan Stanley*, 538 F.3d 797 (7th Cir. 2008), *HA2003 Liquidating Trust v. Credit Suisse Secs. (USA) LLC*, 517 F.3d 454 (7th Cir. 2008) and *Collins v. Morgan Stanley Dean Witter*, 224 F.3d 496 (5th Cir. 2000). By limiting the foregoing statement to matters of applicable state law in the United States, Credit Suisse is not, and should not be deemed to be, admitting that Credit Suisse has any liability to any persons with respect to its advice or opinion under the United States Federal Securities laws or German law. Furthermore such statement is not intended to affect the rights and responsibilities of the Praxair Board under governing state law in the United States, the United States Federal Securities laws or German law. Any claims under applicable state law in the United States, the United States Federal Securities laws or German law against Credit Suisse or the Praxair board of directors will be subject to adjudication by a court of competent jurisdiction.

***Financial Analyses***

The following is a summary of the material financial analyses reviewed by Credit Suisse with the Praxair board of directors in connection with the rendering of its opinion to the Praxair board on May 31, 2017. The analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the analyses. Considering the data in the tables below without considering the full narrative description of the analyses, as well as the methodologies underlying, and the assumptions, qualifications and limitations affecting, each analysis, could create a misleading or incomplete view of Credit Suisse's analyses. Given the 1-for-1 Praxair exchange ratio, for purposes of Credit Suisse's analyses and opinion, the Linde exchange ratio was treated as the effective exchange ratio for the business combination. In addition, as discussed with Praxair, for purposes of Credit

Suisse's analyses and opinion, the Linde Projections and the Praxair Projections for Linde were converted from euros to United States dollars based on, among other things, publicly available forward exchange rates for the major currencies in which Linde derives its revenues.

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For purposes of its analyses, Credit Suisse reviewed a number of financial metrics including:

***Enterprise Value*** generally the value as of a specified date of the relevant company's outstanding equity securities (taking into account its options and other outstanding convertible securities) plus the value as of such date of its net debt (the value of its outstanding indebtedness, preferred stock, non-controlling interests and capital lease obligations less the amount of cash).

***Adjusted EBITDA*** generally the amount of the relevant company's net income (other than in the case of the Praxair Projections, including income from noncontrolling interests) plus interest expense, plus income taxes, and plus depreciation and amortization for a specified time period.

***Has/Gets Analysis***

Credit Suisse compared the implied value reference range per Praxair share indicated by a discounted cash flow analysis of Praxair on a standalone basis to, given the Praxair exchange ratio, the implied value reference range per ordinary share of the pro forma combined company resulting from the proposed business combination indicated by a discounted cash flow analysis of the pro forma combined company resulting from the proposed business combination after giving effect to the Synergies. With respect to Praxair, Credit Suisse calculated the estimated net present value of the projected after-tax, unlevered free cash flows of Praxair based on the Praxair Projections. With respect to the pro forma combined company resulting from the proposed business combination, Credit Suisse calculated the estimated net present value of the projected after-tax, unlevered free cash flows of the pro forma combined company resulting from the proposed business combination after giving effect to the Synergies based on the Praxair Projections, the Linde Projections, the Praxair Projections for Linde and the Synergies. With respect to Praxair, Credit Suisse applied a range of terminal value multiples of 12.0x to 13.0x to Praxair's estimated 2022E Adjusted EBITDA and discount rates ranging from 5.75% to 7.25%. With respect to the pro forma combined company resulting from the proposed business combination, Credit Suisse applied a range of terminal value multiples of 10.3x to 11.3x to the pro forma combined company's estimated 2022E Adjusted EBITDA and discount rates ranging from 5.75% to 7.25%. The discounted cash flow analysis of Praxair on a standalone basis indicated an implied value reference range of \$135 to \$157 per Praxair share as compared to an implied value reference range of \$144 to \$171 per ordinary share of the pro forma combined company resulting from the proposed business combination.

***Contribution Analysis***

Credit Suisse reviewed the contributions of Praxair and Linde to the pro forma combined company resulting from the proposed business combination of certain financial metrics based on the Praxair Projections, the Linde Projections and certain historical financial information for Praxair and Linde. The financial metrics reviewed included the (i) three-year average Adjusted EBITDA for the fiscal years ended December 31, 2016 (actual), 2017 (estimated) and 2018 (estimated), (ii) three-year average net income for the fiscal years ended December 31, 2016 (actual), 2017 (estimated) and 2018 (estimated), and (iii) three-year average unlevered free cash flows for the fiscal years ended December 31, 2016 (actual), 2017 (estimated) and 2018 (estimated). For purposes of the contribution analysis, Credit Suisse calculated a range of implied effective exchange ratios based on the contributions with respect to those metrics by Praxair and Linde to the pro forma combined company resulting from the proposed business combination and the combined equity value of such pro forma combined company, which was based on the equity values of Praxair and Linde as of August 15, 2016, the last trading day prior to a news report regarding a potential transaction involving Praxair and Linde. The contribution analysis indicated an implied effective exchange ratio reference range of 1.374x to 2.086x, as compared to the effective exchange ratio of 1.540x in the business combination pursuant to the business



combination agreement. The contribution analysis did not give effect to the Synergies.

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<b>2016A</b>	<b>2018E Average</b>	<b>Relative Contribution</b>		<b>Implied Effective</b>
		<b>Praxair</b>	<b>Linde</b>	<b>Exchange Ratio</b>
Adjusted EBITDA		44%	56%	2.050x
Net Income		53%	47%	1.374x
Unlevered Free Cash Flow		44%	56%	2.086x

*Standalone Discounted Cash Flow Analyses*

Credit Suisse performed a discounted cash flow analysis of each of Praxair and Linde on a standalone basis, without giving effect to the Synergies, by calculating the estimated net present value of the projected after-tax, unlevered free cash flows of Praxair based on the Praxair Projections and by calculating the estimated net present value of the projected after-tax, unlevered free cash flows of Linde based on the Linde Projections and the Praxair Projections for Linde. With respect to Praxair, Credit Suisse applied a range of terminal value multiples of 12.0x to 13.0x to Praxair's estimated 2022E Adjusted EBITDA and discount rates ranging from 5.75% to 7.25%. With respect to Linde, Credit Suisse applied a range of terminal value multiples of 9.0x to 10.0x to Linde's estimated 2022E Adjusted EBITDA and discount rates ranging from 5.75% to 7.25%. The ranges of terminal value multiples and discount rates applied for purposes of the discounted cash flow analyses with respect to Praxair and Linde were selected based on Credit Suisse's experience and judgment. The discounted cash flow analyses of Praxair and Linde on a standalone basis indicated an implied effective exchange ratio reference range of 1.252x to 1.753x, as compared to the effective exchange ratio of 1.540x in the business combination pursuant to the business combination agreement. The standalone discounted cash flow analyses did not give effect to the Synergies.

*Selected Companies Analyses*

Credit Suisse considered certain financial data for Praxair and Linde and selected companies with publicly traded equity securities Credit Suisse deemed relevant based on their share prices and publicly available research analyst estimates for those companies. The selected companies were selected because they were deemed similar to Praxair and Linde in one or more respects including the nature of their business, size, product mix, and financial performance. As noted above, the selected companies used in the selected companies analysis for comparative purposes to Praxair and Linde are not identical to Praxair and Linde and an evaluation of the results of the selected companies analysis is not entirely mathematical. As a consequence, the ranges of multiples applied for purposes of the selected companies analysis were selected based on Credit Suisse's experience and judgment. Unless the context indicates otherwise, share prices for Praxair, Linde and the selected companies used in the selected companies analysis described below were as of May 19, 2017.

The financial data reviewed included enterprise value as a multiple of publicly available research analyst estimates of Adjusted EBITDA for the year ended December 31, 2017, or 2017E Adjusted EBITDA. The selected companies consisted of Air Liquide, S.A. and Air Products and Chemicals, Inc. and the corresponding multiples for the selected companies, Praxair and Linde were:

	<b>Enterprise Value / 2017E Adjusted EBITDA</b>
Air Liquide, S.A.	11.1x
Air Products and Chemicals, Inc.	11.8x
Praxair	12.9x
Linde	9.2x

Taking into account the results of the selected companies analysis, Credit Suisse applied multiple ranges of 12.0x to 13.0x to Praxair's estimated 2017E Adjusted EBITDA based on the Praxair Projections and 9.0x to 10.0x to Linde's estimated 2017E Adjusted EBITDA based on the Linde Projections. The selected companies

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analysis indicated an implied effective exchange ratio reference range of 1.333x to 1.672x, as compared to the effective exchange ratio of 1.540x in the business combination pursuant to the business combination agreement. The selected companies analysis did not give effect to the Synergies.

***Other Matters***

Praxair retained Credit Suisse as its financial advisor in connection with the proposed business combination with Linde based on Credit Suisse's qualifications, experience and reputation as an internationally recognized investment banking and financial advisory firm. For its services as financial advisor to Praxair in connection with the business combination, Credit Suisse is entitled to a fee of \$43,000,000 of which \$100,000 became payable upon its engagement, \$1,500,000 became payable upon the delivery of its opinion and the balance of which is contingent upon the consummation of the business combination. In addition, Praxair has agreed to reimburse certain of Credit Suisse's expenses and to indemnify Credit Suisse and certain related parties for certain liabilities and other items arising out of or related to its engagement.

Credit Suisse and its affiliates have in the past provided and/or are currently providing investment banking and other financial advice and services to Praxair, Linde and their respective affiliates for which Credit Suisse and its affiliates have received, and would expect to receive, compensation including, among other things, during the past two years, with respect to Praxair and its affiliates, having acted as joint book-running manager of offerings of debt securities by Praxair in January 2015 and February 2016, for which Credit Suisse received aggregate fees of less than \$2 million. Credit Suisse is also a lender under Praxair's revolving credit facility. Credit Suisse and its affiliates may in the future provide investment banking and other financial advice and services to Praxair, Linde, Linde plc and their affiliates for which advice and services Credit Suisse and its affiliates would expect to receive compensation. If requested by Praxair, Credit Suisse may participate in financings, refinancings and related transactions for Praxair, Linde and/or the pro forma combined company resulting from the business combination. Credit Suisse is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial advice and services. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for its and its affiliates' own accounts and the accounts of customers, any currency or commodity that may be involved in the business combination and equity, debt and other securities and financial instruments (including bank loans and other obligations) of Praxair, Linde and any other company that may be involved in the business combination, as well as provide investment banking and other financial advice and services to such companies and their affiliates.

**Opinions of Financial Advisors to Linde AG*****Opinion of BofA Merrill Lynch, Financial Advisor to the Linde Supervisory Board***

BofA Merrill Lynch is an internationally recognized investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Linde selected BofA Merrill Lynch to provide an opinion to the Linde supervisory board in connection with the business combination on the basis of BofA Merrill Lynch's experience in transactions similar to the business combination, its reputation in the investment community and its familiarity with Linde and its business.

On June 1, 2017, at a meeting of Linde's supervisory board held to evaluate the business combination, BofA Merrill Lynch delivered to Linde's supervisory board an oral opinion, which was confirmed by delivery of a written opinion dated June 1, 2017, to the effect that, as of the date of the opinion and based on and subject to various assumptions and limitations described in its opinion, the exchange ratio provided for in the business combination was fair, from a financial point of view, to holders of Linde shares.

**The full text of BofA Merrill Lynch's written opinion to Linde's supervisory board, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the**

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review undertaken, is attached as Annex E to this document and is incorporated by reference herein in its entirety. The following summary of BofA Merrill Lynch's opinion is qualified in its entirety by reference to the full text of the opinion. BofA Merrill Lynch delivered its opinion to Linde's supervisory board for the benefit and use of Linde's supervisory board (in its capacity as such) in connection with and for purposes of its evaluation of the exchange ratio from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the business combination and no opinion or view was expressed as to the relative merits of the business combination in comparison to other strategies or transactions that might be available to Linde or in which Linde might engage or as to the underlying business decision of Linde to proceed with or effect the business combination. BofA Merrill Lynch's opinion does not address any other aspect of the business combination and does not constitute a recommendation to any stockholder as to how to vote or act in connection with the proposed business combination or any related matter.

In connection with rendering its opinion, BofA Merrill Lynch:

- (a) reviewed certain publicly available business and financial information relating to Linde and Praxair;
- (b) reviewed certain internal financial and operating information with respect to the business, operations and prospects of Linde furnished to or discussed with BofA Merrill Lynch by the management of Linde, including certain financial forecasts relating to Linde prepared by the management of Linde (which is referred to herein as Linde Forward-Looking Financial Information (see Certain Unaudited Forward-Looking Financial Information ));
- (c) reviewed certain internal financial and operating information with respect to the business, operations and prospects of Praxair furnished to or discussed with BofA Merrill Lynch by the management of Praxair, including certain financial forecasts relating to Praxair prepared by the management of Praxair (which is referred to herein as Praxair Forward-Looking Financial Information (see Certain Unaudited Forward-Looking Financial Information ));
- (d) reviewed certain estimates as to the amount and timing of cost savings anticipated by the managements of Linde and Praxair to result from the business combination (which are referred to herein as synergies ) as well as additional transaction-related costs;
- (e) discussed the past and current business, operations, financial condition and prospects of Linde with members of senior management of Linde and discussed the past and current business, operations, financial condition and prospects of Praxair with members of senior management of Praxair;
- (f) reviewed the potential pro forma financial impact of the business combination on the future financial performance of Linde plc, including the potential effect on Linde plc's estimated earnings per share;
- (g)

reviewed the trading histories for Linde Shares and Praxair Shares and a comparison of such trading histories with each other and with the trading histories of other companies BofA Merrill Lynch deemed relevant;

- (h) compared certain financial and stock market information of Linde and Praxair with similar information of other companies BofA Merrill Lynch deemed relevant;
- (i) compared certain financial terms of the business combination to financial terms, to the extent publicly available, of other transactions BofA Merrill Lynch deemed relevant;
- (j) reviewed the relative financial contributions of Linde and Praxair to the future financial performance of Linde plc on a pro forma basis;
- (k) reviewed a draft, dated May 30, 2017 of the business combination agreement (which is referred to herein as the draft business combination agreement ); and
- (l) performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

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In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with it and relied upon the assurances of the managements of Linde and Praxair that they were not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the Linde Forward-Looking Financial Information, BofA Merrill Lynch was advised by Linde, and assumed, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Linde as to the future financial performance of Linde. With respect to the Praxair Forward-Looking Financial Information, BofA Merrill Lynch was advised by Praxair, and assumed, with Linde's consent, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Praxair as to the future financial performance of Praxair and other matters covered thereby. BofA Merrill Lynch relied, at the direction of Linde, on the assessments of the managements of Linde and Praxair as to Praxair's ability to achieve the synergies and was advised by Linde, and has assumed, that the synergies will be realized in the amounts and at the times projected. BofA Merrill Lynch did not make and was not provided with any evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Linde or Praxair, nor did it make any physical inspection of the properties or assets of Linde or Praxair. BofA Merrill Lynch did not evaluate the solvency or fair value of Linde or Praxair under any laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at the direction of Linde, that the business combination would be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the business combination, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on Linde, Praxair or the contemplated benefits of the business combination. BofA Merrill Lynch also assumed, at the direction of Linde, that the final executed business combination agreement would not differ in any material respect from the draft business combination agreement that it reviewed.

BofA Merrill Lynch expressed no view or opinion as to any terms or other aspects of the business combination (other than the exchange ratio, to the extent expressly specified in its opinion), including, without limitation, the form or structure of the business combination. BofA Merrill Lynch was not requested to, and it did not, participate in the negotiation of the terms of the business combination, nor was it requested to, and it did not, provide any advice or services in connection with the business combination other than the delivery of its opinion. BofA Merrill Lynch's opinion does not address any legal, tax, regulatory or accounting matters, as to which it understands Linde has received such advice as it deemed necessary from qualified professionals. BofA Merrill Lynch expressed no view or opinion as to any such matters. BofA Merrill Lynch was not requested to, and it did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of all or any part of Linde or any alternative transaction. BofA Merrill Lynch's opinion was limited to the fairness, from a financial point of view, of the exchange ratio to the holders of Linde shares and no opinion or view was expressed with respect to any consideration received in connection with the business combination by the holders of any other class of securities, creditors or other constituencies of any party. In addition, no opinion or view was expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the business combination, or class of such persons, relative to the exchange ratio. Furthermore, no opinion or view was expressed as to the relative merits of the business combination in comparison to other strategies or transactions that might be available to Linde or in which Linde might engage or as to the underlying business decision of Linde to proceed with or effect the business combination. BofA Merrill Lynch did not express any opinion as to what the value of Linde plc ordinary shares actually would be when issued or the prices at which Linde plc ordinary shares, Linde shares, Praxair common stock or other Linde or Praxair securities would trade at any time, including following announcement or consummation of the business combination. In addition, BofA Merrill Lynch expressed no opinion or recommendation as to how any stockholder should vote or act in connection with the business combination or any related matter. Except as described above, Linde imposed no other limitations on the



investigations made or procedures followed by BofA Merrill Lynch in rendering its opinion.

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BofA Merrill Lynch's opinion was necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. It should be understood that subsequent developments may affect its opinion, and BofA Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of BofA Merrill Lynch's opinion was approved by a fairness opinion review committee of BofA Merrill Lynch.

The following represents a brief summary of the material financial analyses presented by BofA Merrill Lynch to Linde's supervisory board in connection with its opinion. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by BofA Merrill Lynch. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by BofA Merrill Lynch.**

*Financial Analyses**Discounted Cash Flow Analysis.*

*Linde.* BofA Merrill Lynch performed a discounted cash flow analysis of Linde as of March 31, 2017 to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that Linde was forecasted to generate during Linde's fiscal years 2017 through 2020 based on the Linde Forward-Looking Financial Information. BofA Merrill Lynch also calculated the terminal value for Linde by applying the Gordon growth model at a discount rate ranging from 6.1% to 7.7% and an assumed perpetual growth rate ranging from 2.25% to 2.75%. The cash flows and terminal value were then discounted to present value as of March 31, 2017 using discount rates ranging from 6.1% to 7.7%, which were based on an estimate of Linde's weighted average cost of capital. This analysis indicated the following approximate implied per share equity value reference range for Linde (excluding synergies):

## Implied Per Share Equity Value

## Reference Range for Linde

105.9 - 199.3

*Praxair.* BofA Merrill Lynch performed a discounted cash flow analysis of Praxair as of March 31, 2017 to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that Praxair was forecasted to generate during Praxair's fiscal years 2017 through 2020 based on the Praxair Forward-Looking Financial Information. BofA Merrill Lynch also calculated the terminal value for Praxair by applying the Gordon growth model at a discount rate ranging from 6.5% to 8.0% and an assumed perpetual growth rate ranging from 2.75% to 3.25%. The cash flows and terminal value were then discounted to present value as of March 31, 2017 using discount rates ranging from 6.5% to 8.0%, which were based on an estimate of Praxair's weighted average cost of capital. This analysis indicated the following approximate implied per share equity value reference range for Praxair (excluding synergies):

## Implied Per Share Equity Value

## Reference Range for Praxair

\$85.9 - \$154.1

*Implied Exchange Ratio.* Using the implied per share equity value reference ranges calculated for each of Linde and Praxair using the discounted cash flow analysis, and adopting a dollar/euro exchange rate of 1.12 as of May 26, 2017 for the conversion of Praxair's per share equity value reference range, BofA Merrill Lynch calculated the implied exchange ratio. By dividing the mid-point of Linde's equity value per share range by the

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mid-point of Praxair's equity value per share range, BofA Merrill Lynch calculated the following implied exchange ratio:

Implied Exchange Ratio

1.42x

*Selected Publicly Traded Companies Analysis.* BofA Merrill Lynch reviewed publicly available financial and stock market information for Linde, Praxair and the following two publicly traded companies in the industrial gases industry:

Air Products and Chemicals, Inc.

L Air Liquide S.A.

BofA Merrill Lynch reviewed, among other things, enterprise values of the selected publicly traded companies, calculated as equity values based on closing stock prices on May 26, 2017, plus debt and debt-like items, less cash and cash-like items, plus non-controlling interest and less investments into associates, as a multiple of such companies' calendar year 2018 estimated earnings before interest, taxes, depreciations and amortization (EBITDA), commonly referred to as EBITDA multiples. BofA Merrill Lynch then applied the ranges of such companies' calendar year 2018 EBITDA multiples of 9.6x to 9.8x (with respect to Linde) and 11.9x to 12.1x (with respect to Praxair), derived from the selected publicly traded companies and adjusted based on the historic 5-year spread of Linde and Praxair multiples against the peer average, to Linde's and Praxair's calendar year 2018 estimated EBITDA, respectively. Estimated financial data of the selected publicly traded companies were based on publicly available research analysts' estimates, and estimated financial data of Linde and Praxair were based on the Linde Forward-Looking Financial Information and the Praxair Forward-Looking Financial Information, respectively. This analysis indicated the following approximate implied per share equity value reference ranges for Linde and Praxair:

Implied Per Share Equity Value

Reference Range for Linde

181.7 - 185.7

Implied Per Share Equity Value

Reference Range for Praxair

\$128.9 - \$131.1

In addition, BofA Merrill Lynch also reviewed the equity value of the selected publicly traded companies, based on closing stock prices on May 26, 2017, as a multiple of calendar year 2018 estimated net income (which are referred to herein as P/E multiples). BofA Merrill Lynch then applied the ranges of such companies' calendar year 2018 P/E multiples of 18.0x to 19.9x (with respect to Linde) and 19.9x to 21.8x (with respect to Praxair), derived from the selected publicly traded companies and adjusted based on the historic 5-year spread of Linde and Praxair multiples against the peer average, to Linde's and Praxair's calendar year 2018 estimated net incomes, respectively. Estimated financial data of the selected publicly traded companies were based on publicly available research analysts' estimates, and estimated financial data of Linde and Praxair were based on the Linde Forward-Looking Financial Information and the Praxair Forward-Looking Financial Information, respectively. This analysis indicated the following approximate implied per share equity value reference ranges for Linde and Praxair:

Implied Per Share Equity Value

Implied Per Share Equity Value

Reference Range for Linde

Reference Range for Praxair

152.9 - 169.1

\$122.2 - \$133.8

*Implied Exchange Ratio.* Using the implied per share equity value reference ranges calculated for each of Linde and Praxair using the selected publicly traded companies analysis and adopting a dollar/euro exchange rate of 1.12 as of May 26, 2017 for the conversion of Praxair's per share equity value reference range, BofA Merrill Lynch calculated the implied exchange ratios. By dividing the mid-point of Linde's equity value per share range

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by the mid-point of Praxair's equity value per share range for each of the P/E and EBITDA multiples, BofA Merrill Lynch calculated the following implied exchange ratios:

Average Implied EBITDA Multiple	Average Implied P/E Multiple
Exchange Ratio	Exchange Ratio
1.58x	1.41x

No company used in this analysis is identical or directly comparable to Linde or Praxair. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Linde and Praxair were compared.

*Other Factors*

In rendering its opinion, BofA Merrill Lynch also reviewed and considered other factors that did not form part of the financial analysis underlying its opinion, but were referenced for information purposes, including, among other things:

trading prices of Linde common stock and Praxair common stock as of August 15, 2016, the last trading day prior to the first market rumors about a potential transaction between Linde and Praxair, using a dollar to euro exchange rate of 1.12 on May 26, 2017, which indicated an implied exchange ratio of 1.31x;

a range of publicly available research analyst price targets for each of Linde and Praxair as of August 15, 2016, the last trading day prior to the first market rumors about a potential transaction between Linde and Praxair, using a dollar to euro exchange rate of 1.12 on May 26, 2017, which indicated an implied exchange ratio of 1.29x; and

premiums in the following merger of equals transactions, with a median premium of 6.4% to the target's price as of the last trading day prior to the first market rumors about a potential transaction between Linde and Praxair, which indicated an implied exchange ratio of 1.40x:

Wood Group plc / Amec Foster Wheeler plc

Essilor International SA / Luxottica Group SpA

Koninklijke Ahold N.V. / Delhaize Group NV/SA

Nokia Corp. / Alcatel-Lucent S.A.

Cyberonics Inc. / Sorin SpA

Telecity Group plc / InterXion Holding NV

Klépierre S.A. / Corio N.V.

Carphone Warehouse Group plc / Dixons Retail plc

Holcim Ltd / Lafarge S.A.

SSAB AB / Rautaruukki Oyj

Publicis Groupe S.A. / Omnicom Group Inc.

Glencore International plc / Xstrata plc

Misys plc / Temenos Group AG

Deutsche Börse AG / NYSE Euronext, Inc.

London Stock Exchange Group plc / TMX Group Inc.

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PartyGaming plc / Bwin Interactive Entertainment AG

Acergy S.A. / Subsea 7 Inc.

British Airways plc / Iberia Líneas Aéreas de España, S.A.

Peter Hambro Mining plc / Aricom plc

Gaz de France SA / Suez SA

Unibail Holding S.A / Rodamco Europe N.V.

Taylor Woodrow plc / George Wimpey plc

Derwent Valley Holdings plc / London Merchant Securities plc

Metal Bulletin plc / Wilmington Group plc

Nokia Corporation (Carrier Networks) / Siemens AG (Carrier Networks)

Alcatel SA / Lucent Technologies, Inc.

Boots Group plc / Alliance UniChem plc

Capital Radio plc / GWR Group plc

Informa Group plc / Taylor & Francis Group plc

iSOFT Group plc / Torex plc

Logica plc / CMG plc



National Grid plc / Lattice Group plc

Telia AB / Sonera Corporation

Smiths Industries plc / TI Group plc

Ocean Group plc / NFC plc

Glaxo Wellcome plc / SmithKline Beecham plc

Celltech Group plc / Medeva plc

Reckitt-Coleman, RB / Benckiser NV

Siebe plc / BTR plc

Scottish Hydro-Electric plc / Southern Electric plc

Stora Kopparbergs Bergslags AB / Enso Oy

Merita Ltd / Nordbanken AB

Guinness plc / Grand Metropolitan plc

Sandoz AG / Ciba-Geigy AG.

No company, business or transaction used in this analysis is identical or directly comparable to Linde, Praxair or the business combination. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies, business segments or transactions to which Linde, Praxair and the business combination were compared.

BofA Merrill Lynch also referenced for information purposes the transaction values, calculated as the enterprise value implied for the target company based on the consideration payable in two selected transactions

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involving companies in the industrial gases industry, as a multiple of the target company's last twelve months EBITDA. Such transactions had a different transaction structure compared to the business combination because they involved a cash change of control as opposed to a merger of equals.

*Miscellaneous*

As noted above, the discussion set forth above is a summary of the material financial analyses presented by BofA Merrill Lynch to Linde's board of directors in connection with its opinion and is not a comprehensive description of all analyses undertaken by BofA Merrill Lynch in connection with its opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch believes that its analyses summarized above must be considered as a whole. BofA Merrill Lynch further believes that selecting portions of its analyses and the factors considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch's analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing its analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of Linde and Praxair. The estimates of the future performance of Linde and Praxair in or underlying BofA Merrill Lynch's analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch's analyses. These analyses were prepared solely as part of BofA Merrill Lynch's analysis of the fairness, from a financial point of view, of the exchange ratio to the holders of Linde shares and were provided to Linde's board of directors in connection with the delivery of BofA Merrill Lynch's opinion. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to substantial uncertainty and should not be taken to be BofA Merrill Lynch's view of the actual values of Linde or Praxair.

The type and amount of consideration payable in the business combination was determined through negotiations between Linde and Praxair, rather than by any financial advisor, and was approved by Linde's Management Board and supervisory board. The decision to enter into the BCA was solely that of Linde. As described above, BofA Merrill Lynch's opinion and analyses were only one of many factors considered by Linde's supervisory board in its evaluation of the proposed business combination and should not be viewed as determinative of the views of Linde's supervisory board or management with respect to the business combination or the exchange ratio to the holders of Linde shares.

Linde has agreed to pay BofA Merrill Lynch for its services in connection with the business combination a fee of \$500,000, payable upon delivery of its opinion. Linde also has agreed to reimburse BofA Merrill Lynch for its expenses incurred in connection with BofA Merrill Lynch's engagement and to indemnify BofA Merrill Lynch, any controlling person of BofA Merrill Lynch and each of their respective directors, officers, employees, agents and affiliates against specified liabilities, including liabilities under the federal securities laws.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies,

governments and individuals. In the ordinary course of their businesses, BofA Merrill Lynch and its affiliates invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or

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short positions, finance positions or trade or otherwise effect transactions in the equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of Linde, Praxair and certain of their respective affiliates.

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide investment banking, commercial banking and other financial services to Linde and have received or in the future may receive compensation for the rendering of these services, including having acted or acting as arranger, bookrunner and lender under certain term loans, letters of credit and leasing for Linde and having provided or providing certain treasury and management services and products to Linde. In the two years preceding the date of the opinion, BofA Merrill Lynch and its affiliates derived aggregate revenues from Linde and its affiliates of approximately \$13.9 million for investment, corporate banking and other markets services.

In addition, BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide investment banking, commercial banking and other financial services to Praxair and have received or in the future may receive compensation for the rendering of these services, including having acted or acting as administrative agent, arranger, bookrunner and lender under certain term loans, letters of credit and leasing for Praxair, having provided or providing certain treasury and management services and products to Praxair and having acted as bookrunner for a senior notes offering for Praxair. In the two years preceding the date of the opinion, BofA Merrill Lynch and its affiliates derived aggregate revenues from Praxair and its affiliates of approximately \$8.2 million for investment, corporate banking and other markets services. In connection with the reasoned statement (*begründete Stellungnahme*) of the Linde executive board and supervisory board, to be issued pursuant to section 27 of the German Securities Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, WpÜG), Linde has asked BofA Merrill Lynch to deliver to the Linde supervisory board an updated opinion as to the fairness, from a financial point of view, of the exchange ratio to Linde shareholders as of the date of the reasoned statement. Under German law the reasoned statement needs to be published without undue delay, at the latest within 14 days of the date of publication of the exchange offer document. If BofA Merrill Lynch delivers such an updated opinion to the Linde supervisory board, Linde anticipates that such updated opinion will be attached to such reasoned statement.

***Opinion of Goldman Sachs, Financial Advisor to the Linde Supervisory Board***

Goldman Sachs rendered its opinion to the Linde supervisory board that, as of June 1, 2017 and based upon and subject to the factors and assumptions set forth therein, the exchange ratio pursuant to the business combination agreement was fair from a financial point of view to the Linde shareholders (other than Praxair and its affiliates).

**The full text of the written opinion of Goldman Sachs, dated June 1, 2017, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex D to this document. Goldman Sachs provided advisory services and its opinion for the information and assistance of the Linde supervisory board in connection with its consideration of the exchange offer. The Goldman Sachs opinion is not a recommendation as to how any Linde shareholder should vote with respect to the exchange offer or any other matter. The summary of Goldman Sachs opinion set forth in this document is qualified in its entirety by reference to the full text of such opinion. Linde shareholders are urged to read Goldman Sachs opinion and the section entitled Opinion of Goldman Sachs, Financial Advisor to the Linde Supervisory Board of this document, carefully and in their entirety.**

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the business combination agreement;

annual reports to shareholders and annual reports on Form 10-K of Linde and Praxair, respectively, for the five fiscal years ended December 31, 2016;

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certain interim reports to shareholders of Linde and quarterly reports on Form 10-Q of Praxair;

certain other communications from Linde and Praxair to their respective shareholders; and

certain publicly available research analyst reports for Linde and Praxair;

certain internal financial analyses and forecasts for Linde prepared by its management and for Praxair prepared by its management and certain financial analyses and forecasts for Linde plc prepared by the management of Linde, in each case, as approved for Goldman Sachs use by Linde, which are referred to as the Linde Forward-Looking Financial Information (see Certain Unaudited Forward-Looking Financial Information ), including certain cost savings and operating synergies projected by the managements of Linde and Praxair to result from the business combination, as approved for Goldman Sachs use by Linde, which are referred to in this section Opinion of Goldman Sachs, Financial Advisor to the Linde Supervisory Board as the Synergies.

Goldman Sachs also held discussions with members of the senior managements of Linde and Praxair regarding their assessment of the strategic rationale for, and the potential benefits of, the business combination and the past and current business operations, financial condition, and future prospects of Linde and Praxair; reviewed the reported price and trading activity for the Linde shares and the Praxair shares; compared certain financial and stock market information for Linde and Praxair with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the industrial gases industry and in other industries; and performed such other studies and analyses, and considered such other factors, as it deemed appropriate.

For purposes of rendering this opinion, Goldman Sachs, with Linde's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by it, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with Linde's consent that the Linde Forward-Looking Financial Information, including the Synergies, were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Linde. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Linde plc, Linde or Praxair or any of their respective subsidiaries and it was not furnished with any such evaluation or appraisal. Goldman Sachs also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the business combination will be obtained without any adverse effect on Linde plc, Linde or Praxair or on the expected benefits of the business combination in any way meaningful to its analysis. Goldman Sachs has further assumed that the acceptance level of the exchange offer reaches at least 75% of the Linde shares as such is required under the business combination agreement and that as part of a post-closing reorganization a domination agreement and/or squeeze-out is consummated. Goldman Sachs has assumed that the business combination will be consummated on the terms set forth in the business combination agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs' opinion does not address the underlying business decision of Linde to engage in the business combination, or the relative merits of the business combination as compared to any strategic alternatives that may be available to Linde; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addresses only the fairness from a financial point of view to the Linde shareholders, as of the date of the opinion, of the exchange ratio pursuant to the business combination agreement. Goldman Sachs' opinion does not express any

view on, and Goldman Sachs opinion does not address, any other term or aspect of the business combination agreement or the business combination or any term or aspect of any other agreement or instrument contemplated by the business combination agreement or entered into or amended in connection with the business combination, including any post-closing reorganization, the fairness of the business combination to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of Linde; nor does it address the fairness of the amount or nature of any compensation to be

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paid or payable to any of the officers, directors or employees of Linde or Praxair, or class of such persons, in connection with the business combination, whether relative to the exchange ratio pursuant to the business combination agreement or otherwise. Goldman Sachs is not expressing any opinion as to the prices at which the Linde plc shares or the Linde shares will trade at any time or as to the impact of the business combination on the solvency or viability of Linde, Praxair or Linde plc or the ability of Linde, Praxair or Linde plc to pay their respective obligations when they come due. Goldman Sachs' opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion and Goldman Sachs assumes no responsibility for updating, revising or reaffirming this opinion based on circumstances, developments or events occurring after the date of the opinion. Goldman Sachs' advisory services and the opinion expressed therein are provided for the information and assistance of the Linde supervisory board in connection with its consideration of the business combination and such opinion does not constitute a recommendation as to whether or not any Linde shareholder should tender such Linde shares in connection with the exchange offer or any other matter. This opinion has been approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to the Linde supervisory board in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses.



**Table of Contents***Historical Exchange Ratio Analysis*

Goldman Sachs reviewed the historical trading prices and volumes for the Linde shares and the Praxair shares and calculated historical average exchange ratios over various periods within a 5-year period ended August 15, 2016, the last trading day before the confirmatory public announcement of the anticipated business combination, by first dividing the closing price per share of Linde shares on each trading day during the period by the closing price per share of Praxair shares on the same trading day taking into account the respective daily euro to U.S.\$ exchange rate (spot rate published on Bloomberg), and subsequently calculating the average of these daily historical exchange ratios over such periods (which is referred to in this section as the average exchange ratio for such period). Goldman Sachs then calculated the premiums implied by the exchange ratio to the historical average exchange ratio for the following periods: (i) the at market exchange ratio as of August 15, 2016, the last trading day before the confirmatory public announcement of the anticipated business combination, (ii) the current at market exchange ratio as of May 26, 2017, (iii) the current adjusted undisturbed exchange ratio, which methodology was based on Linde's (and Praxair's) share price, respectively, starting from August 15, 2016 (the unaffected price on the last trading day before the confirmatory public announcement of the anticipated business combination) with performance of the DAX 30 (S&P 500 Chemicals) from August 15, 2016 until May 26, 2017 (which is referred to in this section as Opinion of Goldman Sachs, Financial Advisor to the Linde Supervisory Board as Adjusted Undisturbed), and (iv) the historical average exchange ratios. The following table presents the results of this analysis:

<b>Historical Date or Period</b>	<b>Exchange Ratio</b>	<b>Premium of Offer Exchange Ratio of 1.540x</b>
Last 5 Years <sup>1</sup>	1.52x	1.3%
Last 3 Years <sup>1</sup>	1.51x	2.1%
Last 12 Months <sup>1</sup>	1.38x	11.2%
Last 6 Months <sup>1</sup>	1.28x	20.5%
Last 90 Days <sup>1</sup>	1.26x	21.8%
Last 60 Days <sup>1</sup>	1.24x	24.3%
Last 30 Days <sup>1</sup>	1.24x	24.1%
August 15, 2016 (At market)	1.32x	17.0%
May 26, 2017 (At market)	1.45x	6.1%
May 26, 2017 (Adjusted Undisturbed)	1.39x	11.0%
<b>Exchange Ratio</b>	<b>1.54x</b>	

<sup>1</sup> Average until August 15, 2016.

*Selected Companies Analysis*

Goldman Sachs reviewed and compared certain financial information for Linde and Praxair to corresponding financial information, ratios and public market multiples for the following publicly traded corporations in the industrial gases industry (which are collectively referred to in this section as the selected companies):

Air Products and Chemicals, Inc.

L Air Liquide S.A.

Although none of the selected companies is fully comparable to Linde and Praxair, the companies included were chosen because they are publicly traded companies with operations that for purposes of analysis may be considered similar to certain operations of Linde and Praxair.

Goldman Sachs also compared various financial multiples which were calculated using the applicable closing price on May 26, 2017 and for Linde and Praxair based on Adjusted Undisturbed prices. The multiples

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and ratios of Linde and Praxair were calculated using the Linde Forward-Looking Financial Information. The multiples and ratios for each of the selected companies were based on the most recent publicly available information and the Institutional Brokers' Estimates System's (IBES) estimates. With respect to Linde, Praxair and the selected companies, Goldman Sachs calculated multiples of enterprise value (which is referred to in this section as "Opinion of Goldman Sachs, Financial Advisor to the Linde Supervisory Board" as EV) to the EBITDA for the calendar years 2017 and 2018. Goldman Sachs also considered the price to earnings ratio (which is referred to in this section as "Opinion of Goldman Sachs, Financial Advisor to the Linde Supervisory Board" as P/E) calculated as closing price of the respective company divided by the estimated earnings per share for the calendar years 2017 and 2018.

The following table presents the results of this analysis:

Company	Price	EV / EBITDA		P/E	
	May 26, 2017	2017E	2018E	2017E	2018E
Linde (Adj. Undist.)	162.80	9.4x	8.9x	20.5x	19.2x
Praxair (Adj. Undist.)	\$ 131.24	13.1	12.2	23.3	21.4
Air Products	\$ 143.91	12.3	11.7	22.8	21.0
Air Liquide	110.95	11.5	10.8	20.6	18.9

*Selected Transactions Analysis*

Goldman Sachs analyzed certain information relating to the following transactions involving all-share transactions with transaction partners of similar size, that were larger than \$2.0 billion since 2011:

Huntsman Corp. Clariant AG, announced in May 2017;

Janus Capital Group Inc. Henderson Group plc, announced in October 2016;

Agrium Inc. Potash Corporation of Saskatchewan Inc., announced in September 2016;

National Bank of Abu Dhabi P.J.S.C. First Gulf Bank P.J.S.C., announced in June 2016;

AmSurg Corp. Envision Healthcare Holdings, Inc., announced in June 2016;

Colony Capital, Inc. NorthStar Asset Management Group Inc., announced in June 2016;

NorthStar Realty Finance Corp. NorthStar Asset Management Group Inc., announced in June 2016;

Technip FMC Technologies, Inc., announced in May 2016;

IMS Health Holdings, Inc. Quintiles Transnational Holdings Inc., announced in May 2016;

Markit Ltd. IHS Inc., announced in March 2016;

E. I. du Pont de Nemours and Company The Dow Chemical Company, announced in December 2015;

Sirona Dental Systems Inc. DENTSPLY International Inc., announced in September 2015;

Towers Watson & Co. Willis Group Holdings Public Limited Company, announced in June 2015;

Delhaize Group NV/SA Koninklijke Ahold N.V., announced in June 2015;

The Ryland Group, Inc. Standard Pacific Corp., announced in June 2015;

MeadWestvaco Corporation WestRock Company, announced in January 2015;

China CNR Corporation Limited CSR Corporation Limited, announced in December 2014;

Dixons Retail plc Carphone Warehouse Group plc, announced in May 2014;

Xstrata plc Glencore International plc, announced in February 2012;

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Frontier Oil Corporation Holly Corporation, announced in February 2011; and

ProLogis AMB Property Corporation, announced in January 2011.

For each of the selected transactions, using publicly available information, Goldman Sachs calculated and compared the implied transaction premium to the share price on the undisturbed date and to certain other dates prior to the public announcement of the respective transaction. The following table presents the results of this analysis:

	Premium to Undisturbed	Premium to Dates Prior to Announcement		
	Date	1 Day	5 Days	30 Days
Median	1.6%	1.4%	3.7%	4.9%
Low	(4.0)%	(12.8)%	(14.5)%	(12.5)%
High	24.4%	22.2%	24.9%	52.3%

*Illustrative Present Value of Future Share Price Analysis*

Goldman Sachs performed an illustrative analysis of the implied present values of future stock prices and dividends for the Linde shares standalone (as if there will be no business combination) and Linde plc shares at the exchange ratio on a pro forma basis. For this analysis, Goldman Sachs used the Linde Forward-Looking Financial Information including Synergies for each of the years 2017 to 2020, and calculated the implied future values using both an EV to EBITDA methodology and a price to earnings methodology.

Using the EV to EBITDA methodology, Goldman Sachs first calculated the implied values per share of both the Linde shares on a standalone basis and the Linde plc shares as of May 26 at the exchange ratio to derive the value per share of Linde shares on a pro forma basis for each of the years from 2017 to 2020, using (i) for the standalone estimates (A) Linde's Adjusted Undisturbed EV to 2017 EBITDA multiple of 9.4x as of May 26, 2017 and (B) Linde plc's EV to 2017 EBITDA multiple of 11.5x as of May 26, 2017 and (ii) for the pro forma estimates (A) the pro forma combined Linde and Praxair Adjusted Undisturbed EV to 2017 EBITDA multiple of 10.9x as of May 26, 2017 (without taking into account any potential impact from Synergies, transaction costs or disposals) and (B) Praxair's Adjusted Undisturbed EV to 2017 EBITDA multiple of 13.1x as of May 26, 2017, and then discounted values back, including dividends, to the date of May 26, 2017, using an illustrative discount rate of 7.68% on a standalone basis, reflecting an estimate of Linde's cost of equity, and 7.36% on a pro forma basis, reflecting an estimate of Linde plc's cost of equity. This analysis resulted in a range of implied present values of \$162.8 to \$223.2 per Linde Share on a standalone basis and \$185.6 to \$234.9 per Linde share on a pro forma basis.

Using the price to earnings methodology, Goldman Sachs first calculated the implied values per share of both the Linde shares on a standalone basis and the shares of Linde plc as of May 26 at the exchange ratio to derive the value per share of Linde shares on a pro forma basis for each of the years from 2017 to 2020, using (i) for the standalone estimates (A) Linde's Adjusted Undisturbed 2017 price to earnings multiple of 20.5x as of May 26, 2017 and (B) Air Products and Chemicals, Inc.'s Adjusted Undisturbed 2017 price to earnings multiple of 22.8x as of May 26, 2017 and (ii) for the pro forma estimates (A) the pro forma combined Linde and Praxair 2017 Adjusted Undisturbed multiple of 21.8x as of May 26, 2017 (without taking into account any potential impact from Synergies, transaction costs or disposals) and (B) Praxair's Adjusted Undisturbed 2017 price to earnings multiple of 23.3x as of May 26, 2017, and then discounted values back, including dividends, to the date of May 26, 2017, using illustrative discount rates of 7.68% on a standalone basis, reflecting an estimate of Linde's cost of equity, and 7.36% on a pro forma basis, reflecting an estimate of Linde plc's cost of equity. This analysis resulted in a range of implied present values of \$162.8 to \$193.0 per share of Linde on a standalone basis and \$199.8 to \$214.7 per Linde share on a pro forma basis.



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**Table of Contents***Illustrative Discounted Cash Flow Analysis*

Using the Linde Forward-Looking Financial Information, Goldman Sachs performed an illustrative discounted cash flow analysis on Linde on a standalone basis. Using discount rates ranging from 5.75% to 6.75%, reflecting estimates of Linde's weighted average cost of capital, Goldman Sachs discounted to present value as of March 31, 2017 (i) estimates of unlevered free cash flow for Linde for the years from 2017 through 2020 as reflected in the Linde Forward-Looking Financial Information and (ii) a range of illustrative terminal values for Linde, which were calculated by applying perpetuity growth rates ranging from 0.75% to 1.75%, to a terminal year estimate of the free cash flow to be generated by Linde, as reflected in the Linde Forward-Looking Financial Information. Goldman Sachs derived ranges of illustrative enterprise values for Linde by adding the ranges of present values it derived above. Goldman Sachs then subtracted the book value of debt, debt-like items and minority interest, added cash and cash equivalents and subtracted or added, respectively, the other debt and cash items as of March 31, 2017 from the range of illustrative enterprise values it derived for Linde, in each case, to derive a range of illustrative equity values for Linde. Goldman Sachs then divided the range of illustrative equity values it derived by the number of fully diluted outstanding shares of Linde, as confirmed by Linde management, to derive a range of illustrative present values per share ranging from 140.5 to 223.2.

Using the Linde Forward-Looking Financial Information, Goldman Sachs also performed an illustrative discounted cash flow analysis on Linde plc. Using discount rates ranging from 5.5% to 6.5%, reflecting estimates of the Linde plc's weighted average cost of capital, Goldman Sachs discounted to present value as of March 31, 2017 (i) estimates of unlevered free cash flow for Linde plc for the years from 2017 through 2020 as reflected in the Linde Forward-Looking Financial Information and (ii) a range of illustrative terminal values for Linde plc, which were calculated by applying perpetuity growth rates ranging from 0.75% to 1.75%, to a terminal year estimate of the free cash flow to be generated by Linde plc, as reflected in the Linde Forward-Looking Financial Information. Goldman Sachs derived ranges of illustrative enterprise values for Linde plc by adding the ranges of present values it derived above. Goldman Sachs then subtracted the book value of debt, debt-like items and minority interest, added cash and cash equivalents and subtracted or added, respectively, the other debt and cash items as of March 31, 2017 from the range of illustrative enterprise values it derived for Linde plc, in each case, to derive a range of illustrative equity values for Linde plc. Goldman Sachs then divided the range of illustrative equity values that is attributable to the shareholders of Linde, as implied by the exchange ratio, by the number of fully diluted Linde shares, as confirmed by Linde management, to derive a range of illustrative present values per share ranging from 161.3 to 262.0 on a pro forma basis.

*Illustrative Pro Forma Accretion / Dilution Analysis*

Goldman Sachs performed an illustrative pro forma analysis of the potential financial impact of the business combination using earnings estimates for Linde and Praxair set forth in the Linde Forward-Looking Financial Information and the Synergies. For each of the years from 2017 to 2020, Goldman Sachs compared the projected earnings per share of Linde shares, on a standalone basis, to the projected earnings per share of Linde plc share at the exchange ratio on a pro forma basis, in each case taking into account the run-rate value of the Synergies. The calculations were calculated using a euro to U.S.\$ forward curve for 2017, 2018, 2019 and 2020 of 1.10, 1.14, 1.17 and 1.20, respectively. Based on such analysis, the business combination would be accretive to Linde's shareholders on an earnings per share basis in each of the years from 2017 to 2020.

*General*

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the

analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after



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considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Linde plc, Linde or Praxair or the contemplated business combination.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs providing its opinion to the Linde supervisory board as to the fairness from a financial point of view to the holders (other than Praxair) of the outstanding non-par value bearer shares (each representing a pro rata amount of the registered share capital of 2.56 per share) of Linde of the exchange ratio of 1.540 shares of common stock, nominal value 0.001 per share of Linde plc for each Linde share tendered in the exchange offer pursuant to the business combination agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Linde plc, Linde, Praxair, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The exchange ratio was determined through arm's-length negotiations between Linde and Praxair and was approved by Linde's supervisory board. Goldman Sachs did not recommend any specific exchange ratio to Linde or its supervisory board or that any specific exchange ratio constituted the only appropriate exchange ratio for the exchange offer.

As described within this document, Goldman Sachs' opinion to the Linde supervisory board was one of many factors taken into consideration by the Linde supervisory board in making its determination to approve the business combination agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex D to this document.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its employees, and funds or other entities they manage, or in which they invest or have other economic interest or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Linde, Praxair, Linde plc, any of their respective affiliates and third parties, or any currency or commodity that may be involved in the transaction contemplated by the business combination agreement. Prior to being formally engaged by the supervisory board of Linde, Goldman Sachs acted as financial advisor to Linde in connection with the business combination. In the two years preceding the date of the opinion, Goldman Sachs has provided certain financial advisory and/or underwriting services to Linde but Goldman Sachs has not received compensation for any such services. In the two years preceding the date of the opinion, Goldman Sachs also has provided certain financial advisory and/or underwriting services to Praxair and its affiliates from time to time for which the Investment Banking Division of Goldman Sachs has received, and may receive compensation, including having acted as co-manager with respect to the public offering in February 2016 of Praxair's 1.200% 550,000,000 aggregate principal amount of notes due in February 2024 and as dealer on Praxair's commercial paper program since 2010. During such period, Goldman Sachs has received compensation of approximately \$100,000 for financial advisory and underwriting services provided to Praxair and its affiliates. Goldman Sachs may also in the future provide certain financial advisory and/or underwriting services to Linde, Praxair, Linde plc and their respective affiliates for which the Investment Banking Division of Goldman Sachs may receive compensation.

The Linde supervisory board selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the business combination. Pursuant to a letter agreement dated December 21, 2016, the Linde supervisory board engaged Goldman

Sachs to act as its financial advisor in connection with the contemplated business combination. The engagement letter between the Linde supervisory board and Goldman Sachs provides for a fixed transaction fee

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of 3,000,000 plus an additional amount in Linde's sole and absolute discretion of up to 2,000,000, all of which is contingent upon consummation of the business combination. In addition, the Linde supervisory board has agreed to reimburse Goldman Sachs for certain of its expenses arising, including attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under German law.

In connection with the reasoned statement (*begründete Stellungnahme*) of the Linde executive board and supervisory board, to be issued pursuant to section 27 of the German Securities Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, WpÜG), Linde has asked Goldman Sachs to deliver to the Linde supervisory board an updated opinion as to the fairness, from a financial point of view, of the exchange ratio to Linde shareholders as of the date of the reasoned statement. Under German law the reasoned statement needs to be published without undue delay, at the latest within 14 days of the date of publication of the exchange offer document. If Goldman Sachs delivers such an updated opinion to the Linde supervisory board, Linde anticipates that such updated opinion will be attached to such reasoned statement.

***Opinion of Morgan Stanley, Financial Advisor to Linde***

Linde has retained Morgan Stanley Bank AG and its affiliates (which are collectively referred to in this document as Morgan Stanley) as financial advisor to advise the Linde executive board in connection with the proposed business combination of Linde and Praxair, including the conclusion of the business combination agreement. As part of this engagement, Linde requested that Morgan Stanley provide an opinion as to the fairness, from a financial point of view, of the exchange ratio for Linde shareholders tendering into the exchange offer of 1.540 Linde plc shares for 1 Linde share pursuant to the business combination agreement.

On June 1, 2017, Morgan Stanley delivered to the Linde executive board its written opinion dated June 1, 2017, to the effect that, as of that date and based on and subject to various assumptions made, procedures followed, matters considered and limitations on the scope of review undertaken by Morgan Stanley described in the opinion, the exchange ratio for Linde shareholders tendering into the exchange offer of 1.540 Linde plc shares for each Linde share (which is herein referred to as the exchange ratio) pursuant to the business combination agreement was fair, from a financial point of view, to the Linde shareholders.

The Morgan Stanley opinion, the full text of which describes the assumptions made, procedures followed, matters considered and limitations on the scope of review undertaken, is included in this document as Annex C. The summary of the Morgan Stanley opinion described below is qualified in its entirety by reference to the full text of the opinion.

***Opinion of Morgan Stanley***

Pursuant to an engagement letter dated December 16, 2016, Morgan Stanley acted as financial advisor to the Linde executive board in connection with the proposed business combination between Linde and Praxair, including the conclusion of the business combination agreement. On June 1, 2017, Morgan Stanley rendered its written opinion to the Linde executive board confirming that, as of that date and based on and subject to various assumptions made, procedures followed, matters considered and limitations on the scope of review undertaken by Morgan Stanley described in the opinion, the exchange ratio pursuant to the business combination agreement was fair, from a financial point of view, to the Linde shareholders.

**The full text of the written opinion of Morgan Stanley, dated June 1, 2017, which sets forth the assumptions made, procedures followed, matters considered and limitations on the scope of review undertaken by Morgan Stanley in rendering its opinion, is included as Annex C to this document. Holders of Linde shares are**

**encouraged to read the opinion carefully in its entirety.**

**The Morgan Stanley opinion was addressed to the Linde executive board for the information of the Linde executive board (in its capacity as such). The Morgan Stanley opinion did not express an opinion or**

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recommendation as to whether any holder of Linde shares should tender any Linde shares in connection with the exchange offer. The Morgan Stanley opinion also did not address the fairness of the proposed business combination, or any consideration received in connection therewith, to the holders of any class of securities, creditors or other constituencies of Linde or Praxair (other than the fairness, from a financial point of view, of the exchange ratio to the Linde shareholders), nor did it address the fairness of the contemplated benefits of the proposed business combination.

None of Morgan Stanley's opinion, the summary thereof or Morgan Stanley's financial analyses set forth in this document constitutes a recommendation as to how any holder of Linde and/or Praxair shares should vote with respect to the business combination, the other aspects of the proposed business combination or any other matter. The summary of the Morgan Stanley opinion set forth in this document is qualified in its entirety by reference to the full text of the opinion included as Annex C to this document.

For purposes of its opinion, Morgan Stanley:

1. reviewed certain publicly available financial statements and other business and financial information of Linde and Praxair, respectively;
2. reviewed certain internal financial statements and other financial and operating data concerning Linde and Praxair, respectively;
3. reviewed certain financial projections prepared by the managements of Linde and Praxair, respectively, and summarized under Certain Unaudited Forward-Looking Financial Information and compared those to certain publicly available research analysts' estimates;
4. reviewed information relating to certain strategic, financial and operational benefits anticipated from the proposed business combination and related implementation costs, prepared by the managements of Linde and Praxair, respectively, and summarized under Linde's Reasons for the Business Combination, Praxair's Reasons for the Business Combination and Certain Unaudited Forward-Looking Financial Information Certain Synergy and Cost Reduction Estimates;
5. discussed the past and current operations and financial condition and the prospects of Linde, including information relating to certain strategic, financial and operational benefits anticipated from the proposed business combination, with senior executives of Linde;
6. discussed the past and current operations and financial condition and the prospects of Praxair, including information relating to certain strategic, financial and operational benefits anticipated from the proposed business combination, with senior executives of Praxair;
7. reviewed the reported prices and trading activity for Linde shares and Praxair shares;

8. compared the financial performance of Linde and Praxair and the prices and trading activity of Linde shares and Praxair shares with that of certain other publicly traded companies comparable with Linde and Praxair, respectively, and their outstanding shares;
9. reviewed the financial terms, to the extent publicly available, of certain comparable business combination transactions;
10. conducted illustrative intrinsic valuation analyses based on, among other things, the estimated discounted cash flows of Linde and Praxair, respectively;
11. participated in certain discussions and negotiations among representatives of Linde and Praxair and their respective financial and legal advisors;
12. reviewed the business combination agreement and certain related documents; and
13. performed such other analyses and reviewed such other information and considered such other factors as Morgan Stanley deemed appropriate.

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Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to it by Linde and Praxair, respectively, and formed a substantial basis for its opinion. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the proposed business combination, Morgan Stanley assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Linde and Praxair of the future financial performance of Linde and Praxair, respectively. For purposes of its opinion, Morgan Stanley relied, at Linde's direction, on (1) the financial projections concerning Linde prepared by the management of Linde (which are referred to as the Linde Forward-Looking Financial Information (see Certain Unaudited Forward-Looking Financial Information)), (2) the financial projections concerning Praxair prepared by the management of Praxair (which are referred to as the Praxair Forward-Looking Financial Information (see Certain Unaudited Forward-Looking Financial Information)), and (3) information relating to certain strategic, financial and operational benefits anticipated from the proposed business combination (see Certain Unaudited Forward-Looking Financial Information Certain Synergy and Cost Reduction Estimates), prepared by the management of Linde and Praxair. In addition, Morgan Stanley assumed that the proposed business combination will be consummated in accordance with the terms set forth in the business combination agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that the definitive business combination agreement will not differ in any material respect from the draft thereof furnished to Morgan Stanley. Morgan Stanley further assumed that the acceptance level of the exchange offer reaches at least 75% of the outstanding Linde shares. Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed business combination, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed business combination. In addition, Morgan Stanley relied upon, without independent verification, the assessment by the management of Linde as to: (i) the strategic, financial and operational benefits anticipated from the proposed business combination and related implementation costs and (ii) the timing and risks associated with the integration of Linde and Praxair. Morgan Stanley is not a legal, tax, accounting or regulatory advisor. For the avoidance of doubt, Morgan Stanley is not an auditor and its opinion is not an IDW S8 letter issued by an auditor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of Linde and Praxair and their respective legal, tax, accounting or regulatory advisors with respect to legal, tax, accounting or regulatory matters. Morgan Stanley did not express an opinion with respect to the fairness of the amount or nature of the compensation to any of Linde's officers, directors or employees, or any class of such persons, relative to the consideration to be received by the Linde shareholders in the transaction. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of Linde or Praxair, nor was Morgan Stanley furnished with any such valuations or appraisals. Morgan Stanley's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of, the date of its opinion. Events occurring after the date of Morgan Stanley's opinion may affect such opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion. Morgan Stanley's opinion did not address the relative merits of the transactions contemplated by the business combination agreement as compared to other business or financial strategies that might be available to Linde, nor did it address the underlying business decision of Linde to enter into the proposed business combination or proceed with any other transaction contemplated by the business combination agreement.

In addition, Morgan Stanley's opinion did not in any manner address the prices at which the Linde plc shares or Linde shares will trade following consummation of the business combination or at any other time. Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with its customary practice.

Morgan Stanley has been provided with, and discussed with the Linde executive board, certain assumptions and estimates regarding the financial impact of (i) potential disposals that may be required to obtain governmental,

regulatory or other approvals and consents for the proposed business combination as well as



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(ii) certain measures that may be implemented after completion of the business combination, including, the conclusion of a domination and profit/loss transfer agreement or a squeeze-out of minority shareholders of Linde. However, given the significant uncertainties involved, at the direction of Linde, Morgan Stanley's financial valuation analysis presented to the Linde executive board and its fairness opinion did not address the potential financial impact of such potential disposals or measures that may be implemented following completion of the business combination.

*Summary of Material Financial Analyses*

The following is a summary of the material financial analyses reviewed with the Linde executive board in connection with the rendering of Morgan Stanley's opinion, dated June 1, 2017.

**The summary set forth below does not purport to be a complete description of the financial analyses performed or factors considered by, and underlying the opinion of, Morgan Stanley, nor does the order of the financial analyses described represent the relative importance or weight given to those financial analyses by Morgan Stanley. Certain financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses, these tables must be read together with the text of each summary as these tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering all financial analyses or factors or the full narrative description of such analyses or factors, including the methodologies and assumptions underlying such analyses or factors, could create a misleading or incomplete view of the process underlying such financial analyses and Morgan Stanley's opinion. See Annex C of this document for the full text of the opinion of Morgan Stanley.**

Unless otherwise indicated, all market data is as of the close of trading on May 26, 2017 and all information with respect to outstanding shares of Linde and Praxair is based on data, as of May 26, 2017 (in each case, based on the treasury stock method). Where appropriate, U.S.\$ figures were converted at the rate of 1.1174 U.S.\$ per euro according to Bloomberg exchange rate data as of May 26, 2017. Financial information based on publicly available research analyst estimates for Linde and Praxair are hereinafter referred to as Linde Street Case and Praxair Street Case, respectively. The Linde and Praxair Street Cases both cover mean estimates for key metrics for the years 2017, 2018 and 2019, with 2020 extrapolated using the growth rate of reporting brokers, holding margins and other items constant as percent of revenue, and the debt capital structure and interest expense having been calculated by Morgan Stanley by reference to public filings and Bloomberg data.

*Historical Trading Performance Analysis*

Morgan Stanley reviewed the historical trading prices of Linde shares and Praxair shares during the 52-week periods ended (i) May 26, 2017, (ii) November 28, 2016, the last trading day prior to the second market rumors about a potential transaction between Linde and Praxair, and (iii) August 15, 2016, the last trading day prior to the first market rumors about a potential transaction between Linde and Praxair.

The results of this analysis were as indicated in the following table (per share values, rounded to the nearest euro or U.S.\$, as the case may be):

<b>Trading Period</b>	<b>Linde (€)</b>	<b>Praxair (U.S.\$)</b>
52-weeks ended May 26, 2017	120 - 174	107 - 132
52-weeks ended November 28, 2016	116 - 156	96 - 123
52-weeks ended August 15, 2016	116 - 169	96 - 120

Morgan Stanley also reviewed the historical daily exchange ratios, which were calculated by Morgan Stanley using the historical trading prices of Linde shares and Praxair shares on each trading day during the above referenced 52-week periods.

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Morgan Stanley then calculated the exchange ratio reference ranges implied by the historical trading performance analysis. To determine the lower end of such range, Morgan Stanley divided the low end of the implied Linde share price range for each period by the high end of the implied Praxair share price range (after conversion into euro). For the higher end of the exchange ratio reference range, Morgan Stanley divided the high end of the implied Linde share price range for each period by the low end of the respective implied Praxair share price range (after conversion into euro).

The implied exchange ratio reference ranges resulting from this analysis were:

<b>Trading Period</b>	<b>Exchange Ratio Range</b>
52-weeks ended May 26, 2017	1.01x - 1.81x
52-weeks ended November 28, 2016	1.05x - 1.81x
52-weeks ended August 15, 2016	1.09x - 1.97x

Morgan Stanley then calculated the range of Linde's implied equity value ownership in the combined company by (i) multiplying the fully diluted number of Linde shares, calculated using the treasury stock method, with the low end and with the high end of the implied exchange ratio range set out above and then (ii) calculating the contribution of the resulting number of Linde shares to the sum of (a) such resulting number of Linde shares and (b) the fully diluted number of Praxair shares, as calculated using the treasury stock method.

The implied Linde equity value ownership range (rounded to nearest %) was:

<b>Trading Period</b>	<b>Implied Linde Ownership Range</b>
52-weeks ended May 26, 2017	40% - 54%
52-weeks ended November 28, 2016	41% - 54%
52-weeks ended August 15, 2016	41% - 56%

The historical trading prices analysis was presented for reference purposes only, and was not relied upon for valuation purposes.

*Analyst Price Target Analysis*

Morgan Stanley reviewed publicly available equity research analysts' share price targets for Linde and Praxair shares, respectively, as of (i) May 26, 2017, (ii) November 28, 2016, the last trading day prior to the second market rumors about a potential transaction between Linde and Praxair, and (iii) August 15, 2016, the last trading day prior to the first market rumors about a potential transaction between Linde and Praxair.

The results of this analysis were as indicated in the following table (per share values, rounded to the nearest euro or U.S.\$, as the case may be):

	<b>Linde (€)</b>	<b>Praxair (U.S.\$)</b>
As of May 26, 2017	135 - 200	108 - 149
As of November 28, 2016	110 - 204	110 - 140

As of August 15, 2016

107 - 172

115 - 140

Morgan Stanley then calculated the exchange ratio reference ranges implied by the analyst price target analysis. To determine the lower end of such range, Morgan Stanley divided the low end of the implied Linde share price range for each period by the high end of the implied Praxair share price range (after conversion into euro). For the higher end of the exchange ratio reference range, Morgan Stanley divided the high end of the implied Linde share price range for each period by the low end of the respective implied Praxair share price range (after conversion into euro).

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The implied exchange ratio reference ranges resulting from this analysis were:

	<b>Implied Exchange Ratio Range</b>
As of May 26, 2017	1.01x - 2.07x