

PRAXAIR INC
Form 425
August 21, 2017
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**Filed by Linde AG
Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
under the Securities Exchange Act of 1934
Subject Companies:
Praxair, Inc.
(Commission File No.: 001-11037)
Linde AG
Commission File No. for Registration
Statement on Form S-4: 333-218485
August 21, 2017**

THIS DOCUMENT IS A TRANSLATION OF THE GERMAN
REASONED STATEMENT PURSUANT TO THE GERMAN SECURITIES ACQUISITION AND
TAKEOVER ACT (WPÜG) ISSUED BY LINDE AG.
NO LIABILITY UNDER GERMAN LAW ARISES FOR THIS
TRANSLATION FOR LINDE PLC.

Mandatory publication pursuant to
sec. 27 para. 3 in conjunction with sec. 14 para. 3 sentence 1 of the German Securities Acquisition and Takeover Act
(*Wertpapiererwerbs- und Übernahmegesetz - WpÜG*)

Joint Reasoned Statement of of the Executive Board and the Supervisory Board

of

Linde Aktiengesellschaft

Klosterhofstraße 1, 80331 Munich

Germany

pursuant to sec. 27 para. 1 WpÜG

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on the voluntary public takeover offer (exchange offer)

of

Linde PLC

The Priestley Centre, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey GU2 7XY

United Kingdom

to

the shareholders of Linde Aktiengesellschaft

Linde Aktiengesellschaft Shares: ISIN DE0006483001

Tendered Linde Aktiengesellschaft Shares: ISIN DE000A2E4L75

Linde PLC Shares: ISIN IE00BZ12WP82

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On August 15, 2017, Linde Public Limited Company (**Linde PLC** or **Bidder** , together with its subsidiaries, the **Linde PLC Group**), in accordance with sec. 34 and sec. 14 paras. 2 and 3 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz - WpÜG*), published the offer document within the meaning of sec. 11 WpÜG (including Annex 1 (Persons acting jointly with the Bidder), Annex 2 (Subsidiaries of Linde as of August 14, 2017) and Annex 3 (Securities Prospectus) the **Offer Document**) for its voluntary public takeover offer in the form of an exchange offer (the **Exchange Offer**) to all shareholders of Linde Aktiengesellschaft (**Linde** or the **Company** , and together with its affiliated companies within the meaning of secs. 15 et seqq. of the German Stock Corporation Act (*Aktiengesetz AktG*), the **Linde Group** , and the shareholders of Linde the **Linde Shareholders**).

The object of the Exchange Offer is to acquire all ordinary bearer shares without par value (*auf den Inhaber lautende nennbetragslose Stückaktien*) of Linde AG (ISIN DE0006483001), each representing a pro rata amount of the share capital attributable to each Linde share of EUR 2.56 per share and each with full dividend rights and all ancillary rights associated therewith at the time of the completion of the Exchange Offer (**Linde Shares**) for consideration of 1.540 ordinary shares in the Bidder (ISIN IE00BZ12WP82), each representing a pro rata amount of the share capital attributable to each Linde PLC share of EUR 0.001 per share (the **Linde PLC Offer Shares** ; jointly with the other shares of Linde PLC the **Linde PLC Shares**) in exchange for one Linde Share (the **Offer Consideration**). This corresponds to an exchange ratio of 1.540 Linde PLC Offer Shares for each Linde Share (**Exchange Ratio**).

The Offer Document was submitted by the Bidder to the Executive Board (*Vorstand*) of Linde (**Executive Board**) on August 15, 2017. The Executive Board passed on the Offer Document to both the Supervisory Board (*Aufsichtsrat*) of Linde (**Supervisory Board**) and to the competent works council (*zuständiger Betriebsrat*) of the Linde Group (*Konzernbetriebsrat*) (**Works Council**) on the same day.

The Executive Board and the Supervisory Board have carefully evaluated the Exchange Offer and are hereby issuing a joint reasoned statement pursuant to sec. 27 WpÜG (**Statement**) regarding the Bidder's Exchange Offer. The Executive Board and the Supervisory Board each discussed and approved this Statement on August 21, 2017. Perella Weinberg Partners LP (**Perella Weinberg**) and Morgan Stanley Bank AG (**Morgan Stanley**) are serving as financial advisers to the Executive Board in connection with the Business Combination (as described in Sections II and III). Goldman Sachs AG (**Goldman Sachs**) and Bank of America Merrill Lynch International Limited Zweigniederlassung Frankfurt am Main (**BofA Merrill Lynch**) are serving as financial advisers to the Supervisory Board in connection with the Business Combination (as described in Sections II and III). In the context of this Statement, the Executive Board and the Supervisory Board note the following:

1. Legal basis

Under sec. 27 para. 1 sentence 1 WpÜG, the executive board and the supervisory board of a target company are required to issue a reasoned statement on a takeover offer and all amendments thereto. This statement may be provided jointly by the target company's executive board and supervisory board. The Executive Board and the Supervisory Board have decided to issue a joint statement regarding the Exchange Offer.

Further, in accordance with the laws of the United States of America (**United States**), the Executive Board and the Supervisory Board will issue and publish this English translation as reasoned statement pursuant to Rule 14e-2 of the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (**Exchange Act**). Such statement will be publicly available under www.sec.gov.

Table of Contents**2. Factual basis**

Unless explicitly stated otherwise, time data in this Statement are given in the local time in Frankfurt am Main, Germany (Central European Summer Time or Central European Time, as applicable, together **CET**). References to a **Business Day** refer to a day other than a Saturday, Sunday or other day on which banks in Frankfurt am Main, Germany, or the City of New York, New York, United States, are generally closed. The currency designations **EUR** or **Euro** refer to the currency of Germany and certain other member states of the European Union; references to **USD** refer to the legal currency of the United States. For the conversion, the exchange rate of Bloomberg was used (1.1426 USD per EUR as of June 30, 2017 and the average exchange rate of USD 1.0829 per EUR for the six-months-period ended June 30, 2017 and USD 1.1069 per EUR for the year ended December 31, 2016). Unless stated otherwise, terms such as at this point in time , at the date hereof , currently , at the moment , now , at present or today refer to the publication date of this Statement, i.e. August 21, 2017, unless explicitly stated otherwise.

Certain statements and assumptions in this Statement 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, e.g., expect , continue , in the future , plan , anticipate , envisage , opportunity , forecast , and similar expressions. These forward-looking statements include statements regarding benefits of the proposed business combination, the Integration Plan 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 the Bidder on the date hereof. Each of the Executive Board and the Supervisory Board 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 applicable law.

Unless explicitly stated otherwise, the information contained in this Statement relating to the Bidder, the persons acting jointly with the Bidder, the Exchange Offer and Praxair, Inc. (**Praxair**) and its subsidiaries (**Praxair Group**) is based on the information contained in the Offer Document and the annexes thereto, the Business Combination Agreement among Linde, Praxair, the Bidder, Zamalight Holdco LLC and Zamalight Subco, Inc. (**Business Combination Agreement**), and publicly available information.

The Executive Board and the Supervisory Board point out that Linde Shareholders who intend to accept the Exchange Offer should verify whether doing so will comply with legal obligations, if any, arising from individual circumstances (e.g. security interests in the shares or restrictions on sales). The Executive Board and the Supervisory Board cannot review such individual obligations and/or consider them in their recommendation. The Executive Board and the Supervisory Board recommend that Linde Shareholders obtain individual tax and legal advice as necessary.

The Executive Board and the Supervisory Board are also unable to verify the Bidder's intentions as stated in the Offer Document, nor can they influence the implementation of these intentions, except such intentions are binding under the Business Combination Agreement. Except where another source is given, any statements regarding the Bidder's intentions are based exclusively on the Bidder's statements in the Offer Document. The Executive Board and the Supervisory Board do not possess any information that would cause them to question the accuracy of the Bidder's statements regarding its intentions or their implementation. The Executive Board and the Supervisory Board wish to point out, however, as the Bidder has done in Section 2.3 of the Offer Document, that the Bidder's intentions may change at a later point in time. There is no legal obligation to implement the intentions set forth in the

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Offer Document, except such intentions as are binding under the Business Combination Agreement. It cannot be precluded, therefore, that the Bidder may change its stated intentions and that the intentions published in the Offer Document may not be implemented.

3. Publication of this Statement and possible amendments to the Exchange Offer

This Statement and any supplements thereto and/or additional statements regarding further amendments to the Exchange Offer, if any, will be published in accordance with sec. 27 para. 3 and sec. 14 para. 3 sentence 1 WpÜG on the Company's website at

<http://www.the-linde-group.com>

under *Proposed Merger*, where, in addition, the binding German version will be published. Copies may be obtained free of charge from Linde Aktiengesellschaft, *Investor Relations*, Klosterhofstraße 1, 80331 Munich, Germany. Both the fact of publication and the availability of copies for distribution free of charge will be announced in the Federal Gazette (*Bundesanzeiger*).

This Statement and any supplements thereto and/or additional statements regarding further amendments to the Exchange Offer, if any, will be published in German and in a non-binding English translation. No liability is assumed for the accuracy or completeness of such English translations. Solely the German versions shall be authoritative.

4. Independent review by Linde Shareholders

The Executive Board and the Supervisory Board point out that the description of the Bidder's Exchange Offer contained in this Statement does not purport to be complete and that solely the terms of the Offer Document apply to both the content and the settlement of the Exchange Offer. The valuations by and recommendations of the Executive Board and the Supervisory Board contained in this Statement are by no means binding on the Linde Shareholders. Any references to, or quotes, summaries or repetitions of, the Exchange Offer or Offer Document, including the annexes thereto, in this Statement serve solely as reference points, and the Executive Board and the Supervisory Board do not adopt the Exchange Offer or the Offer Document, nor do they assume any liability for the accuracy or completeness of the Exchange Offer or Offer Document, including the annexes thereto. Each Linde Shareholder must, at its own responsibility, take note of the Offer Document, form its own opinion of the Exchange Offer and take any actions necessary, as the case may be. Each Linde Shareholder accepting the Exchange Offer is responsible for complying with the requirements and conditions set forth in the Offer Document.

The Bidder has also noted in Section 1.6 of the Offer Document that acceptance of the Offer outside of Germany and the United States may be subject to certain legal restrictions on account of applicable local requirements. Linde Shareholders who come into possession of the Offer Document outside of Germany and the United States and/or who wish to accept the Exchange Offer outside of Germany and the United States are advised to inform themselves of the relevant applicable legal provisions and to comply with them. Neither the Bidder, nor persons acting jointly with the Bidder within the meaning of sec. 2 para. 5 sentences 1 and 3 WpÜG, assume liability for the legality of accepting the Exchange Offer outside of Germany and the United States under the relevant applicable legal provisions.

Overall, each Linde Shareholder is responsible for making his/her own decision on whether and, where applicable, to what extent he/she wishes to accept the Exchange Offer, taking into account the overall situation, the individual situation (including the individual tax situation) and his/her personal assessment of the future development of the

Linde Shares and the Linde PLC Shares value and price. In making this decision, the Linde Shareholders should avail themselves of all sources of information available to them and adequately consider their personal interests. The Executive Board and the Supervisory Board do not assume any responsibility for Linde Shareholders' decisions.

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5. Linde Shareholders in the United States

The Bidder has noted in Section 1.2 of the Offer Document that the Exchange Offer is being made in the United States in reliance on, and in compliance with, applicable provisions of Section 14(e) and Regulation 14E of the Exchange Act, as modified by Rule 14d-1(d) thereunder. The Exchange Offer is an offer to acquire shares of a publicly listed German company and is subject to the legal provisions of Germany regarding the implementation and disclosure requirements for such an offer which differ substantially from the corresponding legal provisions of the United States. For example, certain financial information in the Offer Document has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (**IFRS**) and may therefore not be comparable to financial information relating to U.S. companies and other companies whose financial information is prepared in accordance with the Generally Accepted Accounting Principles of the United States (**U.S. GAAP**) or with International Financial Reporting Standards as adopted by the International Accounting Standards Board. Furthermore, the payment and settlement procedure with respect to the Exchange Offer will comply with the applicable German rules which differ from payment and settlement procedures customary in the United States.

6. Registration Statement

Pursuant to applicable U.S. securities laws, including Section 5 of the Securities Act, and Rule 145 thereunder, in the United States, the Bidder is required to file with the U.S. Securities and Exchange Commission (**SEC**) a registration statement on Form S-4 (**Registration Statement**) with respect to the Linde PLC Shares to be issued in the Exchange Offer and the Merger (as defined in Section II of this Statement). The SEC must declare the Registration Statement effective prior to the expiration of the Acceptance Period. On the basis of an early commencement rule, the Bidder may begin the Exchange Offer pursuant to a preliminary prospectus filed with the SEC prior to the effectiveness of the Registration Statement. On August 14, 2017, the SEC has declared the Registration Statement effective.

7. Statement by the Group Works Council

Pursuant to sec. 27 para. 2 WpÜG, the competent works council of the target company may provide a statement regarding the Exchange Offer to the Executive Board, which the Executive Board must attach to its statement in accordance with sec. 27 para. 2 WpÜG irrespective of its obligation under sec. 27 para. 3 sentence 1 WpÜG. The works council of Linde Group being the competent works council provided its statement to the Executive Board on August 18, 2017. This statement is attached hereto as **Annex 1**.

GENERAL INFORMATION ABOUT THE BIDDER, LINDE AND PRAXAIR

On June 1, 2017, Linde and Praxair have announced the terms of the proposed merger of equals between the two companies and their businesses (**Business Combination**). On August 10, 2017, the parties amended the Business Combination Agreement with respect to certain minor technical aspects concerning the implementation of the Merger. As agreed upon in the Business Combination Agreement, both companies will be combined under the Bidder as the newly formed holding company of the future group. Linde shall at first become a direct subsidiary of the Bidder through the Exchange Offer and subsequently, through a contribution or other transfer of all or most of the Linde Shares tendered into the Exchange Offer (together with the Linde Shares tendered within the Additional Acceptance Period the **Tendered Linde Shares**) within the Linde PLC Group, is intended to become an indirect subsidiary of the Bidder. Praxair shall become an indirect subsidiary of the Bidder by way of merging Zamalight Subco, Inc., a company fully controlled by the Bidder, with and into Praxair (**Merger**). The Bidder and its subsidiaries after the completion of the Exchange Offer and the Merger (together the **Completion of the Business Combination**), including Linde and Praxair, are referred to as the **Combined Group** .

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1. Bidder

The Bidder has published the following information in the Offer Document. This information is correct to the best knowledge of the Executive Board and the Supervisory Board. For further detailed information about the Bidder, please refer to Section 5 of the Offer Document.

1.1 Legal basis

The Bidder was incorporated as a public limited company under the laws of Ireland on April 18, 2017, and is registered with the registered number 602527 under the legal name Linde PLC (former name: Zamalight PLC). The Bidder currently does not use a commercial or trading name different from its legal name. The Bidder has been formed for an unlimited duration. Its financial year corresponds to the calendar year. The Bidder's registered office is at Ten Earlsfort Terrace, Dublin 2, DO2 T380, Ireland, and its principal executive offices are located at The Priestley Centre, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey GU2 7XY, United Kingdom.

Pursuant to the Bidder's articles of association, the Bidder's principal object is to act as a holding company. Following the Completion of the Business Combination, the Bidder will be the ultimate holding company for Linde and Praxair. In the Business Combination Agreement (see Section III.5 of this Statement), Praxair and Linde have agreed on certain governance matters which will, at the latest with effect from the Completion of the Business Combination, be implemented by the Bidder in the terms of the constitution of the Bidder (**Post-Completion Linde PLC Articles**). Other corporate governance matters will be implemented in the terms of certain ancillary corporate governance documents substantially to be adopted by the Bidder with effect from the Completion of the Business Combination. Prior to the Completion of the Business Combination, a special resolution of the Bidder will be proposed to the two sole shareholders of the Bidder at the time, Enceladus and Cumberland (see Section II.1.3 of this Statement), who will be asked to approve the adoption of the Post-Completion Linde PLC Articles in replacement of the existing constitution of the Bidder, such resolution to be conditional on and taking effect from the Completion of the Business Combination. The Post-Completion Linde PLC Articles are expected to include further objects incidental to it acting as a holding company.

1.2 Board composition and corporate governance

The Bidder has a unitary board system, which is constituted in accordance with the Irish Companies Act 2014 and which will, after the Completion of the Business Combination, be constituted in accordance with the corporate governance standards of the NYSE Listed Company Manual.

The structure and composition of the boards have been mutually agreed by Linde and Praxair in the Business Combination Agreement. The Executive Board (unanimously) and the Supervisory Board (by a majority vote) approved the BCA. Accordingly, Linde also considers the structure of the corporate governance and the composition of the boards and committees to be expedient.

1.2.1 Composition of the Bidder's board of directors prior to the Completion of the Business Combination

Currently, the board of directors of the Bidder comprises four directors, two of whom have been designated by Praxair and two of whom have been designated by Linde. As agreed in the Business Combination Agreement, all four of the directors will resign at the Completion of the Business Combination.

1.2.2 Composition of the Bidder's board of directors by the Completion of the Business Combination

As agreed in the Business Combination Agreement, at the Completion of the Business Combination, the Bidder's board of directors (**Linde PLC Board**) shall consist of twelve directors, six of whom

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shall be designated by Linde from among the members of the Supervisory Board (each a **Linde Designee**) and six of whom shall be designated by Praxair from the members of the board of directors of Praxair (each a **Praxair Designee**). At the Completion of the Business Combination, eleven members of the Linde PLC Board will be non-executive directors. The twelfth member will be the chief executive officer of Linde PLC (**Linde PLC CEO**).

The initial members of the Linde PLC Board at the Completion of the Business Combination (known as of the date of the publication of the Offer Document) are:

Prof. Dr. Wolfgang Reitzle (Linde PLC Chairman);

Stephen F. Angel (Linde PLC CEO);

Prof. Dr. Dr. Ann-Kristin Achleitner;

Dr. Clemens Börsig;

Dr. Nance Dicciani;

Dr. Thomas Enders;

Franz Fehrenbach;

Ed Galante;

Larry McVay;

Dr. Victoria Ossadnik;

Martin Richenhagen; and

Robert Wood.

During the first three years following the Completion of the Business Combination (**Integration Phase**), the Linde PLC Board shall be comprised of twelve directors, six of whom shall be individuals who were Linde Designees at the Completion of the Business Combination or individuals nominated and appointed or elected to fill a vacancy created by the resignation, removal, death or disability of a Linde Class Director (each a **Linde Class Director**), and six of

whom shall be individuals who were a Praxair Designee at the Completion of the Business Combination or individuals nominated and appointed or elected to fill a vacancy created by the resignation, removal, death or disability of a Praxair Class Director (each a **Praxair Class Director**).

After the Integration Phase, the Post-Completion Linde PLC Articles or charters of the committees, as applicable, shall, subject to any shareholders' resolution to the contrary, following the Completion of the Business Combination, provide that the Linde PLC Board will, upon recommendations of the nomination and governance committee, propose nominees for election to the Linde PLC Board at Linde PLC's annual shareholders' meeting without having regard to the specific ratio of members who are Linde Class Directors or Praxair Class Directors.

At the Completion of the Business Combination, the Linde PLC Board shall have the following committees:

Executive Committee;

Audit Committee;

Nomination and Governance Committee; and

Compensation Committee.

1.2.3 Linde PLC CEO

As agreed in the Business Combination Agreement, the Linde PLC Board shall establish the roles and responsibilities of the Linde PLC CEO and shall review them from time to time for appropriateness.

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However, pursuant to the Business Combination Agreement, at the Completion of the Business Combination, the roles and responsibilities of the Linde PLC CEO shall be, among others:

Managing and directing the Management Committee (as described in Section II.1.2.4 of this Statement);

After the Integration Phase, appointing and removing members of the Management Committee with the counsel of the Linde PLC Board;

Managing the business of the Linde PLC Group together and with the counsel of the members of the Management Committee;

Preparing a global strategy, a strategic plan, operational business plan and performance targets, together and with the counsel of the Management Committee;

Presenting to the Linde PLC Board the integration plan (**Integration Plan**) for the Integration Efforts (as defined immediately below) and any significant changes thereto;

Reporting to the Linde PLC Board on the progress of the integration of the business of Linde and its subsidiaries and Praxair and its subsidiaries (**Integration Efforts**);

Directing the implementation and execution of the strategic plans approved by the Linde PLC Board, together and with the counsel of the Management Committee; and

Working closely together with the chairman of the Linde PLC Board and keeping the chairman of the Linde PLC Board and the remainder of the Linde PLC Board reasonably informed regarding the activities of the Bidder's Group.

At the Completion of the Business Combination, Stephen F. Angel shall serve as the initial Linde PLC CEO.

1.2.4 Management Committee

As agreed in the Business Combination Agreement, from and following the Completion of the Business Combination, a management committee (**Management Committee**) shall be established for the Linde PLC Group, which shall be comprised of six executive officers of the Linde PLC Group that report to the Linde PLC CEO. The Management Committee shall not be a corporate body or organ of Linde PLC and shall not be a committee or organ of the Linde PLC Board. The members of the Management Committee shall be titled Executive Officers . The role and responsibilities of the Management Committee shall be established by the Linde PLC CEO, shall be reviewed from time to time by the Linde PLC Board for appropriateness and shall include initially, among others:

Delivering operating results against the strategic plans, operational business plans, performance targets, annual budgets and safety and compliance standards for the Linde PLC Group approved by the Linde PLC Board;

Managing the business of the subsidiaries of the Bidder under the direction of the Linde PLC CEO;

Directing the implementation and execution of the strategic decisions made by the Linde PLC Board, within the mandate provided by the Linde PLC Board under the direction of the Linde PLC CEO; and

Ensuring internal alignment for cohesive and consistent communication both internally and externally to stakeholders.

1.2.5 Further information

For further information on Linde PLC's corporate governance after the Completion of the Business Combination see Sections 5.1.3, 9.2.2 and 9.2.3 of the Offer Document and Section V.2.2 of this Statement.

Table of Contents**1.3 Bidder's capital and shareholder structure****1.3.1 Current issued share capital and shareholders**

Currently, Linde PLC's issued share capital amounts to EUR 25,000, consisting of 25,000 A ordinary shares with a nominal value of EUR 1.00 each. The A ordinary shares of EUR 1.00 each were initially issued on Linde PLC's incorporation as ordinary shares. These shares were subsequently re-designated as A ordinary shares to avoid confusion with the ordinary shares of EUR 0.001 each. All of Linde PLC's issued shares are fully paid up.

The two sole shareholders of Linde PLC, Enceladus and Cumberland, each subscribed for 12,500 A ordinary shares each at EUR 2.00 per ordinary share (i.e. comprising EUR 1.00 of nominal value and EUR 1.00 share premium per share) resulting in total share premium of EUR 25,000 in addition to the EUR 25,000 of share capital described above.

Enceladus Holding Limited is a private company limited by shares formed under the laws of Ireland and has its registered address at Ten Earlsfort Terrace, Dublin 2, D02 T380, Ireland (**Enceladus**). Enceladus is wholly owned by the Irish law firm Arthur Cox, a legal counsel of Praxair in connection with the Business Combination. Arthur Cox is a partnership formed under Irish law, with its corporate seat in Dublin and with approximately 100 partners, none of whom has a controlling influence on the partnership. Enceladus was established as a corporate services provider to facilitate corporate transactions of clients of Arthur Cox and is managed by its board of directors. Enceladus has three directors, each of whom is a partner of Arthur Cox.

Cumberland Corporate Services Limited is a private company limited by shares formed under the laws of Ireland and has its registered address at 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland (**Cumberland**). Cumberland, through Lower Mount Limited (Ireland), Frymount Limited (Ireland) and William Fry Limited (Ireland), is wholly directly and indirectly owned by the Irish law firm William Fry, a legal counsel of Linde in connection with the Business Combination. William Fry is a partnership formed under Irish law, with its corporate seat in Dublin and with approximately 80 partners, none of whom has a controlling influence on the partnership. Cumberland was established as a corporate services provider to facilitate corporate transactions of clients of William Fry and is managed by its board of directors. Cumberland has three directors, each of whom is a partner of William Fry.

According to the Offer Document, each of Enceladus and Cumberland and their board of directors will use their voting rights in Linde PLC solely as described in the Offer Document to enable Linde PLC and the Linde PLC Board to fulfill their respective duties and obligations undertaken and described in the Offer Document and the Business Combination Agreement.

1.3.2 Changes to the Bidder's share capital

Pursuant to a special written resolution executed on July 25, 2017 by Enceladus and Cumberland, Linde PLC's two sole shareholders, both of which are private companies formed under the laws of Ireland with their registered office in the municipality of Dublin, Ireland, the Linde PLC Board was authorized, in accordance with Sec. 1021 of the Companies Act 2014, to generally and unconditionally allot Linde PLC Shares up to a total aggregate nominal amount of EUR 1,750,000, comprising 1,750,000,000 ordinary shares of EUR 0.001 each with the authority to expire five years after the date of the resolution, unless renewed, varied or revoked by the general meeting of Linde PLC. It is intended that the existing authority will be extended by renewing it for a further five years with effect on Completion of the Business Combination and such authority will be contained in the Post-Completion Linde PLC Articles.

On July 25, 2017, the Linde PLC Board passed a resolution to allot and to issue Linde PLC Shares to Linde Shareholders that accept the Exchange Offer and to the Praxair Shareholders (or to the Nominee for DTC, each as defined in the subsequent paragraph) at the Completion of the Business Combination.

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The issuance of these Linde PLC Shares will be effected as follows: Shortly before the Completion of the Business Combination, the Linde PLC Board will, pursuant to the authority described above (as renewed in the Post-Completion Linde PLC Articles), pass a resolution to allot and to issue the exact number of Linde PLC Shares that are required to fulfill Linde PLC's obligation to deliver Linde PLC Shares under the Exchange Offer and the Merger. Upon issuance, Linde PLC Offer Shares will be registered on behalf of the central securities depository, that is Depository Trust Company in New York, New York, United States (**DTC**) to cover the inventory of DTC (i.e. the U.S.-equivalent securities custody) in the name of DTC's nominee, that is Cede & Co. (**Nominee**) so that the Nominee will become the legal owner of the Linde PLC Shares.

On the basis of the above resolutions, Linde PLC will be able to fulfill its obligations to deliver the Linde PLC Shares under the Exchange Offer and the Merger without further approvals being required from Linde PLC's shareholders or otherwise.

At the Completion of the Business Combination, Linde PLC's register of members will be updated in order to show recent changes of the members (i.e. shareholders of Linde PLC). Such update will reflect the above described allotment of Linde PLC Offer Shares to the Nominee. The Nominee will acquire full legal title to the Linde PLC Offer Shares when the name of the Nominee is entered in Linde PLC's register of members. The issuance is effective before filing with the Irish Companies Registration Office. In contrast with the legal situation in Germany, this fact increases the certainty of the effective issuance of the Linde PLC Offer Shares.

Linde Shareholders who have accepted the Exchange Offer (and have not validly withdrawn such acceptance) (**Tendering Linde Shareholders**) will acquire the Linde PLC Offer Shares as a pro rata property interest in the aggregate amount of all Linde PLC Shares held by shareholders through DTC. Tendering Linde Shareholders will therefore become beneficial owners of Linde PLC Shares. Such beneficial ownership position of Tendering Linde Shareholders under Irish law is based on the custodial chain between DTC, Clearstream Banking AG, Frankfurt am Main, Germany (**Clearstream**) and the custodian banks. As a result of this custodial chain, beneficial owners are entitled to all rights associated with the Linde PLC Shares, such as the right of disposal, voting rights, and dividend rights.

Pursuant to a special written resolution to be executed by Enceladus and Cumberland, the rights attached to the existing 25,000 A ordinary shares of Linde PLC will be amended such that upon the Completion of the Business Combination and at the same time as the issuance of Linde PLC Shares pursuant to the Merger, the 25,000 A ordinary shares in Linde PLC, 12,500 of which are held by Enceladus and 12,500 of which are held by Cumberland, immediately prior to the Completion of the Business Combination will be converted to deferred shares in accordance with the Post-Completion Linde PLC Articles, and they will not carry voting rights or dividend entitlements. Immediately following the Settlement of the Exchange Offer and prior to the completion of the Merger, the aggregate nominal value of the Linde PLC Shares in issue will exceed the minimum capitalization requirement under Irish company law and the deferred shares will be acquired and cancelled by Linde PLC for nil consideration.

Linde PLC is considering the implementation of steps to create distributable reserves following the admission of the Linde PLC Shares to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange to provide flexibility for future dividends and other returns to shareholders by (i) cancelling the share premium (i.e. the consideration received by Linde PLC for the shares issued that is in excess of the nominal value of those shares) which will be created as a result of the Merger; and (ii) capitalizing all or part of the merger reserve which will be created as a result of the Exchange Offer, and immediately cancelling any bonus shares issued for the purpose of such capitalization (such transactions described in clauses (i) and (ii) together the **Possible Capital Reduction**).

The Executive Board and the Supervisory Board note that any Linde shareholders who tender Linde Shares pursuant to the Exchange Offer must also deliver their consent in respect of such tendered Linde

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Shares to the Possible Capital Reduction to create distributable reserves. According to the Offer Document, the Possible Capital Reduction will not negatively affect any rights of the Tendering Linde Shareholders.

1.3.3 Shareholder register and ownership rights relating to the Linde PLC Shares

The Bidder will maintain a register of members (i.e., shareholders). It will be updated upon the Completion of the Business Combination to reflect the allotment and issuance of Linde PLC Shares in connection with the Exchange Offer and the Merger. The register of members and the record of uncertificated shares must be available for inspection at the registered office of the Bidder or at an alternative location specified under law.

Shares in an Irish public limited company such as the Bidder can be issued and held either in a so-called certificated (i.e., hard copy share certificates are issued to shareholders) or a so-called uncertificated (i.e., dematerialized) form. Where shares are held in certificated form, a shareholder must agree to become a shareholder in the Irish public limited company. That shareholder's name must be entered into the register of members maintained by an Irish public limited company in order to acquire legal title to the shares.

To facilitate trading of shares in an Irish public limited company on an exchange, the shares will be issued in uncertificated form. As described above, an allotment of Linde PLC Offer Shares to the Nominee will occur. The Nominee will become the direct legal owner of the respective shares as well as the legal holder of all rights associated with these shares.

The Nominee will be registered in the register of members of the Bidder. The Bidder's register of members will be updated at the Completion of the Business Combination. Following such update, the Nominee will therefore be the direct legal owner of Linde PLC Offer Shares. The Linde PLC Offer Shares will be held for the benefit of the Tendering Linde Shareholders, hence creating beneficial ownership. Such beneficial ownership of the Linde PLC Offer Shares will be received by Tendering Linde Shareholders through a custodial chain.

In order to facilitate the exercise of shareholder rights, in particular voting rights and attendance at general meetings for beneficial owners holding the Linde PLC Offer Shares through Clearstream, the Bidder has entered into an agreement with ADEUS Aktienregister-Services-GmbH, Königinstraße 28, 80802 Munich, to act as central registration agent (the **Central Registration Agent**) upon the Completion of the Business Combination. The functions of the Central Registration Agent will include the publication of the information in the German Federal Gazette which beneficial owners need in order to exercise their rights and processing administrative tasks in connection with the logistics of attending and voting at general meetings. The Bidder will maintain the Central Registration Agent, or a comparable service provider, during the entire time of its listing on the Frankfurt Stock Exchange.

1.4 Structure and business of the Bidder

To the date of the Offer Document, Linde PLC has not traded nor has it entered into obligations other than in connection with the Exchange Offer and the Merger. Linde PLC does not hold any equity interest in any other legal entity, except for German Intermediate Holding GmbH, German Intermediate Holding AG, Zamalight Holdco LLC and Zamalight Subco, Inc. However, Praxair and Linde will become direct or indirect subsidiaries of the Bidder following the Completion of the Business Combination.

2. Linde

2.1 General Information

Linde is a listed German stock corporation (*Aktiengesellschaft*) with its registered seat in Munich, Germany, registered in the commercial register (*Handelsregister*) of the local court of Munich

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(*Amtsgericht München*) under the number HRB 169850. The Company's business address is Klosterhofstraße 1, 80331 Munich. The Company is the parent company of the Linde Group.

Section 6.1 through 6.3 of the Offer Document accurately lay out the legal basis of Linde, the share capital and treasury shares of Linde, the authorized and conditional capital of Linde and the Linde Long Term Incentive Plan as well as an overview of the business activities of the Linde Group. Section 6.5 of the Offer Document provides an overview of persons, holding 3 % or more of the voting rights from issued Linde Shares. There are no other persons to whom 3 % or more of the voting rights from issued Linde Shares are to be economically attributed to than such persons listed in the voting rights notifications pursuant to secs. 21 WpHG et seqq. The information contained in the Offer Document corresponds to the information provided on Linde's website <http://www.the-linde-group.com/de/> under the section *Investor Relations/Linde Aktien/Stimmrechtsmitteilungen* (as of August 10, 2017).

2.2 Members of the Executive Board and the Supervisory Board

The Executive Board (*Vorstand*) currently consists of the following members:

Prof. Dr. Aldo Belloni (Chief Executive Officer);

Dr. Christian Bruch (Head of Linde Engineering);

Bernd Eulitz (Head of EMEA Gases);

Sanjiv Lamba (Head of APAC Gases); and

Dr. Sven Schneider (Chief Financial Officer).

The Supervisory Board of Linde is subject to parity codetermination according to the German Co-determination Act 1976 as amended (*Mitbestimmungsgesetz*). The Supervisory Board currently has the following twelve members:

Prof. Dr. Wolfgang Reitzle (Chairman);

Hans-Dieter Katte (Deputy Chairman);

Franz Fehrenbach (Second Deputy Chairman);

Prof. Dr. Dr. Ann-Kristin Achleitner;

Dr. Clemens Börsig;

Anke Couturier;

Dr. Thomas Enders;

Gernot Hahl;

Dr. Martin Kimmich;

Dr. Victoria Ossadnik;

Xaver Schmidt; and

Frank Sonntag.

3. Praxair

The following information has been published by the Bidder in the Offer Document. Such information has not again been verified by the Executive Board and the Supervisory Board. However, to the knowledge of the Executive Board and the Supervisory Board and based on the information obtained

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through the due diligence review that was conducted prior to the execution of the Business Combination Agreement, there is no information which contradicts such disclosure. For further detailed information about Praxair, please refer to the Offer Document.

3.1 Legal basis

Praxair is a listed stock corporation incorporated under the laws of the State of Delaware with its registered seat in the State of Delaware is 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware, United States. The name of the registered agent at such address is The Corporation Trust Company. Praxair's business address is 10 Riverview Drive, Danbury, Connecticut 06810-5113, United States. Praxair is the parent company of the Praxair Group.

Article 3 of Praxair's Certificate of Incorporation Association describes the purpose of Praxair as follows: The nature of the business or purposes to be conducted or promoted by the Corporation is to conduct any lawful business, to exercise any lawful purpose and power and to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as the same may be amended from time to time.

3.2 Members of the board of directors and executive officers

The board of directors of Praxair consists of the following members:

Stephen F. Angel (Chairman);

Oscar Bernardes (Director);

Dr. Nance K. Dicciani (Director);

Edward G. Galante (Director);

Raymond W. LeBoeuf (Director);

Larry D. McVay (Director);

Martin H. Richenhagen (Director);

Wayne T. Smith (Director); and

Robert L. Wood (Director).

The executive officers of Praxair are:

Stephen F. Angel (Chief Executive Officer);

Matthew J. White (Senior Vice President, Chief Financial Officer);

Guillermo Bichara (Vice President; General Counsel & Corporate Secretary);

Kelcey E. Hoyt (Vice President and Controller);

Eduardo F. Menezes (Executive Vice President);

Anne K. Roby (Senior Vice President);

David P. Strauss (Vice President and Chief Human Resources Officer); and

Scott E. Telesz (Executive Vice President).

3.3 Praxair's capital and shareholder structure

Praxair is authorized to issue up to 800,000,000 shares of Praxair common stock (**Praxair Shares**), with a par value of USD 0.01 per share, and is further authorized to issue up to 25,000,000 shares of

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preferred stock (**Praxair Preferred Stock**), with a par value of USD 0.01 per share. As of August 8, 2017 383,230,625 Praxair Shares were issued. All of the outstanding Praxair Shares were fully paid and non-assessable. Praxair held 97,165,506 Praxair Shares (approximately 25.3% of issued Praxair Shares) as treasury shares (**Praxair Treasury Shares**).

Holders of Praxair Shares (**Praxair Shareholders**) are entitled to receive dividends, in the form and to the extent declared by the Praxair board of directors out of funds legally available for payment, subject to the rights of holders, if any, of Praxair Preferred Stock. Subject to possible restrictions on voting rights, each outstanding Praxair Share entitles its holder to one vote. Subject to the rights, if any, of the holders of any series of Praxair Preferred Stock outstanding and subject to applicable law, all voting rights are vested in the holders of Praxair Shares. Holders of Praxair Shares are not granted subscription rights. Praxair Shares may not be converted into shares of other classes of stock.

At the effective time of the Merger, each option to purchase Praxair Shares (**Praxair Stock Option**) will be converted into an option to purchase Linde PLC Shares (the **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 be equal to 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 restricted stock unit measured in Praxair Shares (the **Praxair RSU**) will be converted into a restricted stock unit denominated in Linde PLC Shares (the **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 performance share unit measured in Praxair Shares (the **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 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.

To the knowledge of the Bidder (after due inquiry of Praxair), no more than 5 % of the Praxair Shares outstanding on August 8, 2017 are to be economically attributed to any person with the exception of the shareholders listed below. The information presented below derives from the reports filed by the beneficial owners with the SEC.

Overview II.2.3: Shareholder structure of Praxair

Class of Shares	Name of the Beneficial Owner	Voting Rights
Common stock	Capital World Investors	9.0%
Common stock	The Vanguard Group	7.3%
Common stock	Soroban Capital GP LLC	6.2%
Common stock	BlackRock, Inc.	6.1%

3.4 Structure and business of the Praxair Group

Praxair is the parent company of the Praxair Group. The Praxair Group is a leading industrial gas company in North and South America and has an established business in Asia and an established business in Europe. It is comprised of five segments: North America (**North America**), Europe

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(**Europe**), South America (**South America**), Asia (**Asia**) and surface technologies (**Surface Technologies**).

North America operates production facilities in the United States, Canada and Mexico, approximately 255 of which are cryogenic air separation plants, hydrogen plants and carbon dioxide plants. There are five major pipeline complexes in North America located in Northern Indiana; Houston, Texas; along the Gulf Coast of Texas; Detroit, Michigan; and Louisiana. Also located throughout North America are noncryogenic air separation plants, packaged gas facilities, specialty gas plants, helium plants and other smaller plant facilities.

Europe has production facilities primarily in Italy, Spain, Germany, the Benelux region, the United Kingdom, Scandinavia and Russia which include approximately 70 cryogenic air separation plants and carbon dioxide plants. There are three major pipeline complexes in Europe located in Northern Spain and the Rhine and Saar regions of Germany. These pipeline complexes are primarily supplied by cryogenic air separation plants. Also located throughout Europe are noncryogenic air separation plants, packaged gas facilities and other smaller plant facilities.

South America operates more than 60 cryogenic air separation plants and carbon dioxide plants, primarily located in Brazil. Many of these plants support a major pipeline complex in Southern Brazil. Also located throughout South America are packaged gas facilities and other smaller plant facilities.

Asia has production facilities located primarily in China, South Korea, India and Thailand, approximately 60 of which are cryogenic air separation plants and carbon dioxide plants. Also located throughout Asia are noncryogenic air separation plants, hydrogen, packaged gas and other production facilities.

Surface Technologies provides coating services and manufactures coating equipment at approximately 45 sites. The majority of these sites are located in the United States and Europe, with smaller operations in Asia, and Brazil.

Pursuant to Praxair Group's annual report for the fiscal year ended December 31, 2016, Praxair Group's 2016 revenue was approximately USD 10.534 billion (approximately EUR 9.22 billion), EBITDA was approximately USD 3.501 billion (approximately EUR 3.064 billion) and operating profit was approximately USD 2.238 billion (approximately 1.957 billion).

Approximately USD 5.592 billion (approximately EUR 4.894 billion) (53 %) of Praxair Group's revenue was generated in North America, USD 1.392 billion (approximately 1.218 billion) (13 %) was generated in Europe, USD 1.399 billion (approximately EUR 1.224 billion) (13 %) was generated in South America, USD 1.555 billion (approximately EUR 1.361 billion) (15 %) was generated in Asia and USD 596 million (approximately EUR 522 million) (6 %) was generated in Surface Technologies (EUR amounts based on the exchange rate as of June 30, 2017 derived from Bloomberg (1.1426 USD per EUR)).

For further information on Praxair and the performance of the Praxair Group, reference is made to its annual and interim financial statements that have been published on the internet at <http://www.praxair.com> under *Investors*.

4. Further information

The Bidder has published the following further information in the Offer Document. The Executive Board and the Supervisory Board are not aware of any information to the contrary.

4.1 Persons acting jointly with the Bidder

As parties to the Business Combination Agreement, Praxair, Linde, Zamalight Holdco LLC and Zamalight Subco, Inc. are persons acting jointly with the Bidder pursuant to sec. 2 para. 5 sentence 1

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WpüG. As subsidiaries of the Bidder, German Intermediate Holding GmbH and German Intermediate Holding AG as well as Zamalight Holdco LLC and Zamalight Subco, Inc. are deemed to be persons acting jointly with the Bidder pursuant to sec. 2 para. 5 sentence 3 WpüG.

4.2 Linde Shares held by the Bidder and persons acting jointly with the Bidder

The Bidder, the persons acting jointly with the Bidder, as well as subsidiaries of the Bidder, neither directly nor indirectly hold any Linde Shares (except for 95,109 Linde Treasury Shares held by Linde, i.e., approximately 0.05 % of the share capital of Linde) as of the date of publication of the Offer Document. Furthermore, no voting rights with regard to Linde are attributed to them pursuant to sec. 30 WpÜG.

Neither the Bidder nor persons acting jointly with the Bidder pursuant to sec. 2 para. 5 WpÜG as well as their subsidiaries directly or indirectly hold instruments or other voting shares notifiable pursuant to secs. 25, 25a WpHG at the time of the publication of the Exchange Offer.

4.3 Irrevocable Undertakings from Members of the Executive Board and the Supervisory Board

All members of the Executive Board and all shareholder representatives on the Supervisory Board, who are holders of Linde Shares, committed themselves towards Linde to accept the Exchange Offer against for the Offer Consideration and without any additional benefits in respect of 85,948 Linde Shares, representing approximately 0.05 % of Linde's voting rights and registered share capital.

These commitments will cease to be binding if the Exchange Offer lapses or is withdrawn or if either of the Linde boards or the Praxair board of directors changes or withdraws its recommendation of (or its intention to recommend) the Exchange Offer or the Merger, respectively.

4.4 Disclosures concerning securities transactions

During the period starting six months prior to the publication of the decision to launch the Exchange Offer on June 1, 2017 and ending with the publication of the Offer Document on August 15, 2017, neither the Bidder, nor persons acting jointly with the Bidder within the meaning of sec. 2 para. 5 WpüG, nor their subsidiaries have purchased any Linde Shares or concluded an agreement on the basis of which they would be entitled to claim the transfer of Linde Shares.

4.5 Parallel Acquisitions

The Bidder reserves the right, to the extent legally permissible, to directly or indirectly acquire additional Linde Shares outside the Exchange Offer on or off the stock exchange. To the extent that such acquisitions take place, information about such acquisitions will be published without undue delay in accordance with applicable law, including without limitation in accordance with secs. 14 para. 3, 23 para. 2 WpÜG, on the internet at <http://www.lindepraxairmerger.com>, in the German Federal Gazette (*Bundesanzeiger*) and by way of an English language press release in the United States stating the number and consideration paid or agreed to be paid for the Linde Shares so acquired or agreed to be acquired.

INFORMATION ABOUT THE EXCHANGE OFFER

This section summarizes selected information regarding the Exchange Offer that has been taken exclusively from the Offer Document, publications by the Bidder and the Business Combination Agreement. The information has not been verified by the Executive Board and the Supervisory Board. Only the provisions set forth in the Offer Document are authoritative with regard to the content, terms and conditions and the implementation of the Exchange Offer. Each Linde Shareholder is responsible for taking note of the Offer Document including the annexes thereto and reaching the decision on whether and, where applicable, to what extent to accept the Exchange Offer.

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1. Execution of the Exchange Offer

The Exchange Offer is executed by the Bidder as a voluntary public takeover offer in the form of an exchange offer for the acquisition of all Linde Shares in accordance with sec. 29 para. 1 WpÜG. The Exchange Offer is executed under German law, in particular the WpÜG and the WpÜG Offer Regulations (*WpÜG-Angebotsverordnung - WpÜG-AngebotsVO*).

2. Publication of the decision to launch the Exchange Offer

The Bidder published its decision to launch the Exchange Offer pursuant to sec. 10 para. 1 sentence 1 WpÜG on June 1, 2017. The announcement is available on the internet at <http://www.lindepraxairmerger.com>.

3. Review by BaFin and publication of the Offer Document

According to Section 1.4 of the Offer Document, the German Federal Financial Supervisory Authority (**BaFin**) reviewed the Offer Document in accordance with German law and in the German language and permitted its publication, according to the Bidder, on August 14, 2017. According to the Bidder's Offer Document, the Exchange Offer is exclusively carried out in accordance with German law and certain applicable provisions of the securities laws of the United States (as described in Sections 1.1 and 1.4 of the Offer Document) and registrations, admissions or approvals of the Offer Document and/or the Exchange Offer under any other jurisdictions have not been made and are not intended.

The Offer Document was published by the Bidder in German on August 15, 2017 in accordance with sec. 34 and sec. 14 paras. 2 and 3 WpÜG (i) on the internet at <http://www.lindepraxairmerger.com> and (ii) through the availability of copies of the Offer Document, which can be sent free of charge to all Linde Shareholders by Deutsche Bank Aktiengesellschaft (inquiries with respect to the Offer Document by mail to Taunusanlage 12, 60325 Frankfurt am Main or by facsimile at +49 (0)69 910 38794 or by e-mail to dct.tender-offers@db.com (the **Settlement Agent**)).

On August 15, 2017, the Bidder published an announcement pursuant to sec. 14 para. 3 sentence 1 no. 2 WpÜG regarding the availability of the Offer Document for free from the Settlement Agent as well as the internet address where the Offer Document will be published in the German Federal Gazette (*Bundesanzeiger*).

After the publication of the Offer Document, a non-binding English translation of the Offer Document, which has not been reviewed by BaFin, has been made available electronically through the SEC's Electronic Data Gathering, Analysis and Retrieval (**EDGAR**) system, which can be located on the EDGAR system at <http://www.sec.gov/edgar/searchedgar/companysearch.html>. On this website, search for Linde PLC under company name . Furthermore, the non-binding English translation of the Offer Document has been made available on the internet at <http://www.lindepraxairmerger.com>. In addition, the Settlement Agent keeps the non-binding English translation for distribution free of charge upon request. The Bidder will announce by way of an English language press release in the United States where copies of the non-binding English translation of the Offer Document will be available free of charge and at which internet address the Offer Document is published.

According to the Bidder, besides the above publications, no other publications of the Offer Document have been made or planned. For restrictions on the approved distribution of the Offer Document, see Section 1.5 of the Offer Document.

4. Acceptance of the Exchange Offer outside of Germany and the United States

In Section 1.6 of the Offer Document, the Bidder states that the Exchange Offer may be accepted by all domestic and foreign Linde Shareholders (including those with domicile, registered office or habitual abode in Germany, the European Union, the European Economic Area, and the United States) in accordance with the Offer Document and the relevant applicable legal provisions.

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However, the acceptance of the Exchange Offer outside of Germany and the United States may be subject to legal restrictions. Linde Shareholders who come into possession of the Offer Document outside of Germany and the United States and/or who wish to accept the Exchange Offer outside of Germany and the United States are advised to inform themselves of the relevant applicable legal provisions and to comply with them. Further details are provided in Section 1.6 of the Offer Document.

5. Background of the Exchange Offer

5.1 Business Combination Agreement

The Business Combination Agreement entered into by and among Praxair, Linde, Linde PLC, Zamalight Holdco LLC and Zamalight Subco, Inc. sets forth the terms and conditions of the Business Combination, in particular the Exchange Offer and the Merger, as well as the mutual goals of Praxair, Linde and Linde PLC with regard thereto and the future organizational and corporate governance structure of the Combined Group. In particular, the Business Combination Agreement comprises arrangements concerning the combination of the companies, the future business of Praxair and Linde, and the corporate governance of Linde PLC as a parent company of the Combined Group resulting from the Business Combination (see Section II of this Statement). A summary of the key terms of the Business Combination Agreement can be found in the section *6. The Business Combination Agreement* of Annex 3 of the Offer Document.

As a party to the Business Combination Agreement, Linde fully agrees with the content of the arrangements therein. This applies, in particular, to the design and organization of the Business Combination, including its content, the terms and conditions of the Exchange Offer and the Merger, the mutual goals of the parties and the future organizational structure and corporate governance of the Combined Group. The Executive Board and a majority of the Supervisory Board have approved the Business Combination Agreement. Such assessment has not changed since the execution of the Business Combination Agreement and up until the date of this Statement.

5.2 The Exchange Offer

The Exchange Offer relates to the acquisition of all Linde Shares by Linde PLC. Immediately after the Settlement of the Exchange Offer, Linde PLC intends to contribute or otherwise directly or indirectly transfer all or most of the Tendered Linde Shares within the Linde PLC-Group to Linde Holding GmbH. Afterwards Linde Holding GmbH shall contribute or otherwise transfer such shares to Linde Intermediate Holding AG.

As of the date of the publication of the Offer Document, Linde has issued 185,733,180 Linde Shares, including 95,109 Linde Treasury Shares, and thus 185,638,071 Linde Shares are outstanding. In that regard, nothing has changed up until the date of this Statement. According to Section 14.2.1 of the Offer Document, it was estimated for the purposes of the Exchange Offer that the maximum amount of Praxair Shares as of the Completion of the Business Combination amounts to 291,868,140 Praxair Shares on a fully diluted basis. This total amount includes an estimate of shares which may be issued pursuant to existing Praxair share plans prior to the Completion of the Business Combination. If and to the extent a holder of Tendered Linde Shares would be entitled to receive a fraction of a share of Linde PLC Shares, such fractional shares will be disposed of by means of a fractional adjustment, and the respective holders shall receive cash in lieu of the fractional shares (see Sections 13.3 and, in particular, 13.5 of the Offer Document for details).

Taking into account the maximum amount of 185,638,071 Linde Shares and 291,868,140 Praxair Shares as well as that (i) pursuant to the Merger, each Praxair Share will convert into the right to receive one Linde PLC Share and

(ii) the Exchange Ratio in the Exchange Offer is 1.540 Linde PLC Offer Shares for each Linde Share, the Bidder will be obliged to deliver Linde PLC Shares in the amount up to 577,750,770 following the Completion of the Business Combination. Therefore, under

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the assumption that the Exchange Offer is accepted with respect to 100 % of the Linde Shares (disregarding the 95,109 Linde Treasury Shares), the issued share capital of the Bidder following the Completion of the Business Combination (not taking into account the treatment of fractional share entitlements to Linde PLC Shares under the Business Combination) would comprise approximately 577,750,770 Linde PLC Shares.

If only the Minimum Acceptance Ratio (described in Section III.6.4.1 of this Statement) is reached and, therefore, only the lowest number of Linde Shares which need to be tendered in order for the related Closing Condition to be satisfied are tendered, the issued share capital of the Bidder following the Completion of the Business Combination (not taking into account the treatment of fractional share entitlements under the Business Combination) would comprise a total of approximately 506,280,114 Linde PLC Shares.

5.3 The Merger

The business of Praxair will be brought under Linde PLC through the Merger (i.e., by way of merging Zamalight Subco, Inc. (a subsidiary of Linde PLC) with and into Praxair). In the Merger, each Praxair Share will be converted into the right to receive one Linde PLC Share.

The Merger requires that a simple majority of the Praxair Shares outstanding at the record date and entitled to vote at the Praxair special meeting adopts the Business Combination Agreement and approves the Merger (such approval the **Praxair Requisite Vote**). It is currently envisaged that the day of the special meeting will be September, 27, 2017. In any case, it will be held prior to the expiration of the Acceptance Period for the Exchange Offer and, in the case of an extension of the Acceptance Period required by law (see Section III.6.1 of this Statement), the date of the special meeting may be postponed to a day that is no later than the Business Day preceding the expiration of the extended Acceptance Period.

After the Praxair Requisite Vote has been obtained, the completion of the Merger will only be subject to the completion of the Exchange Offer and will therefore become effective immediately after the completion of the Exchange Offer.

5.4 Statement with respect to the Strategy and Goals of the Business Combination

In Section 8.2 of the Offer Document, the Bidder summarizes the factors which the board of directors of Praxair and the Executive Board have considered for the assessment of the strategic reasons for the Business Combinations and the decision to enter into the Business Combination Agreement. The Exchange Offer serves to achieve such strategic reasons as described in Section 8.2 of the Offer Document and the advantages stemming therefrom for Linde, Praxair and the Combined Group. The majority of the Supervisory Board shares such assessment and the evaluation of the strategic reasons for the Business Combination notwithstanding the concerns raised by certain employee representatives in the Supervisory Board. The Executive Board and a majority of the Supervisory Board therefore share the Bidder's envisaged goals with respect to the Exchange Offer. In order to specify and add to the statements contained in the Offer Document, the Executive Board and the majority of the Supervisory Board therefore summarize the material and decisive factors which they considered with respect to the strategic reasons for the Business Combination as follows.

Along with the Bidder, the Executive Board and the majority of the Supervisory Board expected that the Business Combination will provide a number of significant strategic opportunities to both, Praxair and Linde, their respective subsidiaries as well as their respective shareholders:

They 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. It is

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expected that Linde will benefit from an expanded geographical presence of the Combined Group due to the complementary regional footprints of Linde and Praxair and, further, that the Linde's engineering division will be strengthened by the Business Combination by adding the complementary resources of Praxair, and presenting the opportunity for Linde to combine its engineering resources with the existing Praxair plants.

They expect that the Combined Group, 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 USD 29 billion based on Linde's and Praxair's annual results for the fiscal year ended December 31, 2016, prior to any divestitures.

Linde and Praxair have common roots, values and visions and the Executive Board and the Supervisory Board have the expectation that the Combined Group will have a major interest in promoting talent and generating value, combining Linde's solution-oriented competencies, engineering-driven ideas and process reliability with Praxair's strengths in execution and 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.

They have the expectation that the Combined Group will obtain stronger capital markets ratings for its shares compared to the rating for Linde's shares if Linde were to remain a stand-alone company, with the shares of Linde PLC 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.

They expect that the Combined Group will realize approximately USD 1.2 billion (EUR 1.1 billion) in annual synergies and cost reductions (including existing cost reduction programs, resulting from, in particular, Linde's LIFT program), which are targeted to be achieved within approximately three years following the Completion of the Business Combination. These synergies and cost reductions are expected to arise from, among other factors, scale benefits, cost savings, and efficiency improvements. There will be expected one-time costs of achieving these synergies and cost reductions which are estimated to be approximately USD 1.0 billion (EUR 0.9 billion), including estimated transaction costs of USD 0.2 billion (EUR 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 USD 1.0 billion (EUR 0.9 billion). These saving estimates are based on the 2016 year-end financial position of the Combined Group, and are shared by the Executive Board and the Supervisory Board. The figures include existing cost reduction programs of Praxair and Linde which are independent of the Business Combination, including the existing LIFT cost reduction program of Linde which the Executive Board and the Supervisory Board expect to contribute USD 310 million (EUR 295 million) to the overall amount of synergies and cost reductions. For further details regarding such programs and how savings in connection therewith are reflected in the estimation of the synergies and cost reductions, see *23.1.2.4 Restructuring Costs/Special Items* of Annex 3 of the Offer Document. The remaining savings of approximately USD 0.2 billion (EUR 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. The Executive Board and the Supervisory Board

endorse the estimates of cost saving potential and its quantification indicated in the Offer Document.

Finally, additional revenue growth related synergies may, also in view of the Executive Board and the Supervisory Board, be achieved through cross-selling efforts and leveraging the Combined Group's expanded global reach and product portfolio.

Linde and Praxair approached the evaluation of synergies using several different methodologies. First, a series of outside-in estimations were considered using various benchmarks, such as prior

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transactions, as well as comparable profitability, margin and productivity figures. In addition, both Linde and Praxair considered several different factors specifically related to their respective businesses, including (i) existing cost efficiency programs underway at each company, (ii) relative productivity and margin performance, (iii) potential combined efficiency savings, including as they may relate to purchasing, logistics, scale benefits, improved asset utilization and maintenance, and (iv) potential overlapping capabilities and best practices which could be cross-shared from one business or departmental area to another. These methodologies were compared and analyzed and, based upon such analysis, the head-line numbers of the expected estimates of synergies and cost reductions to be delivered as a result of the Business Combination, and the continuance of existing cost reduction programs described above, were jointly agreed upon. At the date of the publication of this Offer Document the synergy targets are estimates and do not detail specific integration plans, specific headcount or departmental reductions in any given location or region at this time. Detailed planning is expected to be accomplished prior to closing with the joint expertise of both Linde and Praxair in specific departmental areas, regional businesses and engineering organizations. Notwithstanding, the varied methodologies considered in the evaluation of synergies, along with both Linde and Praxair's deep expertise in operating in the industrial gas segment, gives the Executive Board and the majority of the Supervisory Board sufficient confidence in its ability to achieve the stated synergy and cost reduction estimates.

These limited unaudited 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 and, therefore, are not endorsed as a reliable indication of the amount of synergies that will be achieved in the future.

They expect that the Combined Group'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 Executive Board and the Supervisory Board considered a variety of risks and other potentially negative factors concerning the Business Combination, including the possibility that the anticipated advantages of the Business Combination may be smaller than expected. For example, it might not be possible to achieve the expected synergies and cost reductions due to an unsuccessful integration. As part of the consideration they included risks related to the Minimum Acceptance Ratio, the complexity of the Business Combination and the potentially long period between the signing and the Completion of the Business Combination. Also, they considered change of control risks, tax risks and risks resulting from potential interferences by activist shareholders.

Some employee representatives in the Supervisory Board raised concerns that the Business Combination could adversely affect employees and the corporate culture of Linde and that the strong position of the CEO at Linde PLC could, in the long term, lead to factual takeover of Linde by Praxair instead of the envisaged merger of equals. They also stressed that regulators could impose restrictions or divestures on the Business Combination, compliance with which would be necessary but could adversely impact Linde, and that the Business Combination itself could in particular adversely impact the engineering division of Linde. Further, some employee representatives have assessed the stand-alone prospects of Linde more favorable if compared to the Business Combination Agreement and with respect to transaction costs.

However, the Executive Board (unanimously) and the Supervisory Board (by majority of the votes) each concluded that potentially negative factors and risks associated with the Business Combination were outweighed by the described potential benefits and opportunities that they expected Linde, its shareholders and employees to achieve as a result of the Business Combination. Accordingly, they determined that the Business Combination Agreement and the transactions contemplated thereby are consistent with and promote the strategy and goals of Linde and are in the best interest of Linde and its shareholders. It is the very purpose of the Exchange Offer to allow for the strategic and other

advantages of the Business Combination. Against this background, the Executive Board and the

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majority of the Supervisory Board welcome the Bidder's strategy and goals underlying the Exchange Offer.

Please refer to Section 8.2 and, in particular, to Section 5.5 *Linde's Reasons for the Business Combination* of Annex 3 of the Offer Document for a complete description of the Executive Board's and the Supervisory Board majority's strategy and goals of the Business Combinations as well as further details about and risks considered by the Executive Board and the Supervisory Board.

6. Main details of the Exchange Offer

6.1 Acceptance Period