

PRAXAIR INC
Form DEF 14A
March 07, 2003

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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 §240.14a-12

Praxair Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11
 - (1) Title of each class of securities to which transaction applies:

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- (4) Proposed maximum aggregate value of transaction:

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

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

(3) Filing Party:

(4) Date Filed:

39 Old Ridgebury Road
Danbury, Connecticut 06810-5113

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD APRIL 22, 2003

Dear Praxair Shareholder:

The Annual Meeting of Shareholders of Praxair, Inc. will be held at 9:30 a.m. on Tuesday, April 22, 2003 at The Amber Room Colonnade, Stacey Road, Danbury, Connecticut, for the following purposes:

1. To elect three directors to the Board of Directors.
2. To consider a shareholder proposal.
3. To conduct such other business as may properly come before the meeting.

Only holders of Common Stock of Praxair, Inc. of record at the close of business on February 24, 2003 will be entitled to vote at the meeting or any adjournment thereof.

It is important that your shares be represented and voted at the meeting. You may vote your shares by means of a proxy form using one of the following methods:

1. **Electronically on the Internet** (if instructions for this method are included in this package), **OR**
2. **By telephone** (if instructions for this method are included in this package), **OR**
3. By signing and dating the **proxy/voting instruction card** enclosed in this package and returning it in the postage-paid envelope that is provided.

The giving of such proxy does not affect your right to vote in person if you attend the meeting.

We encourage you to complete and file your proxy electronically or by telephone (if those options are available to you) as a means of **reducing the Company's expenses** related to the meeting.

BY ORDER OF THE BOARD OF
DIRECTORS

DAVID H. CHAIFETZ,
*Vice President, General Counsel
and Secretary*

February 28, 2003

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING IN PERSON, PLEASE PROMPTLY COMPLETE AND FILE A PROXY, EITHER BY INTERNET, BY TELEPHONE OR BY MAIL.

PROXY STATEMENT

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39 Old Ridgebury Road
Danbury, Connecticut 06810-5113

PROXY STATEMENT

*Annual Meeting of Shareholders
Tuesday, April 22, 2003*

This statement is furnished to shareholders of Praxair, Inc. ("Praxair" or the "Company") in connection with the solicitation of proxies for the Annual Meeting of Shareholders to be held at The Amber Room Colonnade, Stacey Road, Danbury, Connecticut on April 22, 2003, at 9:30 a.m. or at any adjournment thereof (the "Annual Meeting"). This Proxy Statement and the enclosed form of proxy are first being sent to

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shareholders on or about March 10, 2003. The enclosed proxy is solicited on behalf of the Board of Directors of Praxair.

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

Item 1: Election of Directors

Three directors are to be elected. Praxair's Board of Directors is divided into three classes serving staggered terms. The terms of three of the present directors expire this year and each of them has been nominated for reelection.

Your Board recommends that Claire W. Gargalli, G. Jackson Ratcliffe, Jr., and Dennis H. Reilley be elected to serve in the class with terms expiring in 2006. Each nominee has agreed to be named in this Proxy Statement and to serve if elected. Biographical data on these nominees and the other members of the Board of Directors is presented at page 12 of this Proxy Statement under the caption "The Board of Directors".

If one or more of the nominees becomes unavailable for election or service as a director, the proxy holders will vote your shares for one or more substitutes designated by the Board of Directors, or the size of the Board of Directors will be reduced.

To be elected, a nominee must receive a plurality of the votes cast at the Annual Meeting in person or by proxy. If you are a shareholder of record and submit a proxy card (whether by Internet, telephone or mail) without specifying a choice on this matter, the proxy holders intend to vote your shares in favor of each of the above nominees. If you hold your shares in a brokerage or bank account, then, under New York Stock Exchange rules, your broker or bank is entitled to vote your shares on this matter even if no instructions are received from you. If you hold your shares in the Praxair, Inc., Praxair Distribution, Inc., Praxair Healthcare Services, Inc., Praxair Puerto Rico, Inc., or the Dow Chemical Company Employees' savings plan, and if the plan trustee receives no voting instructions from you, then, under the applicable plan trust agreement, the plan trustee is to vote your shares in the same proportion on this matter as it votes shares for which it has received instructions. Abstentions may not be specified as to election of directors.

Item 2: Shareholder Proposal

A shareholder has announced his intention to present a proposal recommending that your Board redeem rights issued to you under the Company's Stockholder Protection Rights Agreement. **Your Board recommends that you vote against this proposal.** The proponent's statement in favor of this proposal and your Board's statement in opposition are located on pages 26 and 27, respectively, of this Proxy Statement under the caption "Shareholder Proposal". In order for this proposal to be adopted by the shareholders, at least a majority of votes cast at the Annual Meeting in person or by proxy by shareholders entitled to vote on the matter must be voted in favor of the proposal. If you are a shareholder of record and submit a proxy card (whether by Internet, telephone or mail) without specifying a choice on this matter, the proxy holders intend to vote your shares against the above

proposal. If you hold your shares in a brokerage or bank account, then, under New York Stock Exchange rules, your failure to give voting instructions to your broker or bank will result in a so-called "broker non-vote" (since your broker or bank is not entitled to vote your shares on this matter unless it receives instructions from you). Broker non-votes as well as abstentions are not considered votes cast and, therefore, will be counted neither for nor against this matter. However, if you hold your shares in the Praxair, Inc., Praxair Distribution, Inc., Praxair Healthcare Services, Inc., Praxair Puerto Rico, Inc., or the Dow Chemical Company Employees' savings plan, and if the plan trustee receives no voting instructions from you, then, under the applicable plan trust agreement, the plan trustee is to vote your shares in the same proportion on this matter as it votes shares for which it has received instructions.

Item 3: Other Business

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

Shareholders Entitled to Vote

Common Stock shareholders of record at the close of business on February 24, 2003 will be entitled to vote at the Annual Meeting. As of that date, a total of 162,241,254 shares of Praxair's Common Stock were outstanding and entitled to vote. Each share of Common Stock is entitled to one vote.

Filing of Proxies

Your vote is important. Because many shareholders cannot attend the Annual Meeting in person, it is necessary that a large number be represented by proxy. Most shareholders have a choice of voting over the Internet, by using a toll-free telephone number or by completing a proxy card and mailing it in the postage-paid envelope provided. Check your proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you. Please be aware that, if you vote over the Internet, you may incur costs such as telecommunication and Internet access charges for which you will be responsible.

The Internet and telephone voting procedures are designed to authenticate shareholders by use of a Control Number and to allow shareholders to confirm that their instructions have been properly recorded.

Voting of Proxies

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

Revocation of Proxy

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

Voting at the Annual Meeting

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

Quorum

The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote shall constitute a quorum. The shares represented by abstentions and broker non-votes (for an explanation of "broker non-votes", see vote counting information on page 2 of this Proxy Statement under the caption "Item 2 Shareholder Proposal") on filed proxies and ballots will be considered present for quorum purposes.

HOW TO RECEIVE YOUR ANNUAL REPORT AND PROXY STATEMENT ON-LINE

Save Praxair future postage and printing expense by consenting to receive future annual reports and proxy statements on-line on the Internet.

Most shareholders can elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail. Those shareholders will be given the opportunity to consent to future Internet delivery when they vote their proxy. (For some shareholders, this option is only available if you vote by Internet.)

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If you are not given an opportunity to consent to Internet delivery when you vote your proxy, contact the bank, broker or other holder of record through which you hold your shares and inquire about the availability of such an option for you.

If you consent, your account will be so noted and, when Praxair's 2003 Annual Report and the Proxy Statement for the 2004 Annual Meeting of Shareholders become available, you will be notified on how to access them on the Internet. Any prior consent you have given will remain in effect until specifically revoked by you in the manner specified by the bank or broker that manages your account.

If you do elect to receive your Praxair materials via the Internet, you can still request paper copies by contacting the Assistant Corporate Secretary at Praxair, Inc., 39 Old Ridgebury Road, M1, Danbury, CT 06810-5113.

SHARE OWNERSHIP

Principal Holders

The only persons known by Praxair to be beneficial owners of more than five percent of Praxair's Common Stock (par value \$0.01) are the following:

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Shares Outstanding(a)
FMR Corp. Devonshire Street, Boston, MA 02109	15,491,171(b)	9.6%
Massachusetts Financial Services Company ("MFS") 500 Boylston Street, Boston, MA 02116	8,555,039(c)	5.3%

- Notes: (a) Based on 162,268,096 total shares outstanding on December 31, 2002 excluding shares held for the account of Praxair.
- (b) Holdings as of December 31, 2002 as reported in SEC Schedule 13G by FMR Corp. According to this report, FMR Corp. had sole voting power as to 1,652,331 shares and sole investment power as to 15,491,171 shares.
- (c) Holdings as of December 31, 2002 as reported in SEC Schedule 13G by MFS. According to this report, MFS had sole voting power as to 7,786,737 shares and sole investment power as to 8,555,039 shares.

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Directors and Executive Officers

As of December 31, 2001, directors and executive officers of Praxair beneficially owned shares of Praxair's Common Stock (par value \$0.01) as follows. Directors and all executive officers as a group, 20 persons, beneficially owned 1.0% of the outstanding shares as of that date.

SHARES BENEFICIALLY OWNED AND OTHER EQUITY INTERESTS					
Name	Position	Common Stock(1)	Deferred Stock(2)	Total	Stock Options(3)
Dennis H. Reilley	Chairman, President and Chief Executive Officer	51,702	35,008	86,710	583,333
Paul J. Bilek	Executive Vice President	27,275	14,650	41,925	181,999
Stephen F. Angel	Executive Vice President	21,462	13,974	35,436	93,333
Thomas W. von Krannichfeldt	Executive Vice President	15,492	9,803	25,295	74,166

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SHARES BENEFICIALLY OWNED AND OTHER EQUITY
INTERESTS

James S. Sawyer	Vice President and Chief Financial Officer	8,395	11,153	19,548
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