

UK Tax Strategy Paper

National tax systems are crafted with the fundamental purpose of raising revenues necessary to fund public services. While this goal can be achieved in multiple ways, Praxair believes that sound tax policies should foster long term, sustainable economic growth and provide opportunity for the enterprises subject to such tax systems to compete globally on a level playing field.

Praxair is a capital intensive provider of specialty surface coatings, providing engineering solutions to customer requirements. Praxair believes that capital investment provides the basis for economic growth hence we support tax policies that promote capital investment. Furthermore, because we are committed to continuously develop new technologies that increase productivity and result in environmental benefits for a wide range of industries, we support tax policies that favour innovation and protect the value of intellectual property assets. Praxair also supports the continued expansion of a network of bilateral income tax treaties to reduce barriers to cross border investment and eliminate double taxation.

For these reasons, Praxair advocates for tax policies that drive economic growth, particularly in areas of increased engineering efficiency and that drive local production and development.

Praxair's effective tax rate and tax exposures are reviewed annually with the Audit Committee of the Board of Directors. The Vice President, Treasurer and Tax, who reports to the Chief Financial Officer, is responsible for this review.

Praxair operates in more than 50 countries where our tax contribution is substantial and similarly global in scope, including corporate taxes, value added & sales taxes, customs and employee taxes that make a significant contribution to societies around the world.

In order to meet the requirements of Part 2 of Schedule 19 to the 2016 UK Finance Act, the Company confirms it is committed to:

- 1) Compliance with applicable UK laws and regulations;
- 2) Consulting with advisors where there is complexity or uncertainty;
- 3) Working together with our business customers and suppliers to ensure transactional taxes are accurately determined and paid; and
- 4) Developing and maintaining a collaborative working relationship with HMRC.