

PRAXAIR INC  
Form 11-K  
June 27, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 11-K

✓ ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2015  
OR

“TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from                      to  
Commission File Number 1-11037

A. Full title of the Plan and the address of the Plan, if different from that of the issuer named below:  
The Savings Program for Employees of Praxair Puerto Rico B.V. and  
Its Participating Subsidiary Companies  
P.O. Box 307  
Gurabo, Puerto Rico 00778

B. Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office:  
Praxair, Inc.  
39 Old Ridgebury Road  
Danbury, Connecticut 06810-5113

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All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted because they are not applicable.

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Report of Independent Registered Public Accounting Firm

To the Plan Administrator  
The Savings Program for Employees of Praxair Puerto Rico B.V. and  
Its Participating Subsidiary Companies  
Gurabo, Puerto Rico

We have audited the accompanying statements of net assets available for benefits of The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies (the Plan) as of December 31, 2015 and 2014, and the related statement of changes in net assets available for benefits for the year ended December 31, 2015. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the year ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

The accompanying supplemental Schedule of Assets (Held at End of Year) as of December 31, 2015 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ BDO USA, LLP

Philadelphia, Pennsylvania

June 27, 2016



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The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies  
Statements of Net Assets Available for Benefits  
as of December 31, 2015 and 2014

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	December 31,	
	2015	2014
Assets:		
Investments, at fair value (Note 4):	\$4,334,864	\$4,554,718
Receivables:		
Employer contributions	—	918
Participant contributions	—	2,051
Dividends and interest	76	1
Notes receivable from participants	398,328	440,574
	398,404	443,544
Net Assets Available for Benefits	\$4,733,268	\$4,998,262

The accompanying notes are an integral part of these financial statements.

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The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies  
Statement of Changes in Net Assets Available for Benefits  
for the Year Ended December 31, 2015

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Additions to (Deductions from) Net Assets

Contributions:

Participants	\$255,568
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Employer	106,579
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Total Contributions	362,147
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Investment income (loss):

Net appreciation (depreciation) in fair value of investments	(625,093 )
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Interest and dividends	125,948
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Total net investment income (loss)	(499,145 )
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Interest on notes receivable from participants	36,085
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Benefit payments to participants	(164,081 )
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Net Decrease In Net Assets Available for Benefits	(264,994 )
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Net Assets Available for Benefits

Beginning of year	4,998,262
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End of year	\$4,733,268
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The accompanying notes are an integral part of these financial statements.

The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies  
Notes to Financial Statements  
December 31, 2015 and 2014

Note 1 - Inception of the Plan

The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies (the “Plan”) was established on March 1, 1995 by Praxair Puerto Rico B.V. (the “Company”).

Note 2 - Description of the Plan

The Plan is a tax-qualified retirement plan. The following is a general description of the Plan. Participants should refer to the Plan document, as amended by the Popular Master Defined Contribution Retirement Plan Profit Sharing Plan with Cash or Deferred Arrangement Plan Adoption Agreement effective August 22, 2014 for a complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan and is administered by the Administrative Committee of The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies (the “Administrator”). The Trustee and recordkeeper of the Plan's assets is Banco Popular de Puerto Rico. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”) as amended.

Eligibility

An employee of the Company is eligible to participate in the Plan if he or she is a minimum of 18 years of age and has completed 90 days of service.

Contributions

Participant contributions to the Plan are made through payroll deductions. Plan participants generally may elect to contribute a percentage of their eligible compensation on either a before-tax and/or after-tax basis. Participants’ before-tax contributions are limited to an annual statutory amount, which amounted to \$15,000 in 2015.

Participants who reach age 50 by the close of the Plan year are eligible to make catch-up contributions. Catch-up contributions are limited to \$1,500 per Plan year (or such other limit as may be imposed through amendment to the Puerto Rico Internal Revenue Code for a New Puerto Rico, as amended (“2011 PR Code”). No matching contributions will be made with respect to such catch up contributions.

For participants employed by the Company prior to October 1, 2012, the Plan provides for a Company matching contribution equal to 70% of the first 2.5% of a participant’s eligible compensation contributed to the Plan and 40% of the next 5% of the participant’s eligible compensation contributed to the Plan. For participants hired on or after October 1, 2012, the Company will make a matching contribution equal to 100% of the first 5% of a participant's eligible compensation contributed to the Plan. Company matching contributions to the Plan are made in cash and are invested in accordance with each participant’s investment direction.

Participants’ Account Activity

Participant accounts are credited with participant and Company contributions and investment returns which are based upon each participant’s investment direction. Participant accounts are charged for withdrawals. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Vesting

Employees are fully vested at all times in their own contributions, company matching contributions, and rollover contributions. In the event of termination of employment from the Company, Plan participants receive all amounts credited to their accounts.

Investment Options

Plan participants may direct the investment of their Plan accounts among various investment options offered by the Plan listed below:

• Mutual funds

- Cash equivalents and money market funds

• Praxair, Inc. common stock

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The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies  
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December 31, 2015 and 2014

Participants may change the investment election of their contributions and existing balances on a daily basis.

**Withdrawals and Distributions**

Plan participants may generally withdraw after-tax contributions from their account balances while working and, in limited cases (as defined in the Plan's provisions), may withdraw before-tax contributions. Mandatory distributions from the Plan are required to begin no later than April 1 of the year following the year in which a participant attains age 70 <sup>1</sup>/<sub>2</sub> or retires from service with the Company, whichever is later. Actively employed participants may begin receiving distributions of pre-tax contributions at 59 <sup>1</sup>/<sub>2</sub>.

**Notes Receivable from Participants (Participant Loans)**

The Plan generally permits participants to borrow from their accounts a minimum of \$1,000 up to the lesser of \$50,000 or 50% of their vested account balances. Participants are permitted to have only one loan outstanding at any time. Certain other restrictions apply, as defined in the Plan.

Loans are repaid during fixed terms not to exceed five years (ten years if used to purchase a primary residence).

Principal and interest are paid ratably, generally through payroll deductions. The loans are collateralized by the balance in the participant's account and bear interest at a fixed rate since Plan inception of 9%. A loan application fee of \$125 is charged to the participant's account for each new loan.

Loans to participants are carried at unpaid principal balance plus accrued but unpaid interest. No allowances for credit losses have been recorded as of December 31, 2015 and 2014. Delinquent participant loans are recorded as a distribution in accordance with the terms of the Plan and applicable law.

**Rollovers**

Rollovers represent transfers of account balances of certain participants into certain investments of the Plan from other qualified plans or from individual retirement accounts. There were no rollovers for the year ended December 31, 2015.

**Unclaimed Benefits and Forfeitures**

The benefit payable on behalf of a participant who cannot be located by the Administrator is forfeited at such time as the Administrator has made the determination. However, the forfeiture will be restored to the participant's account by the Administrator if such participant subsequently makes a valid claim for the benefit.

**Note 3 - Summary of Significant Accounting Policies**

**Method of Accounting**

The financial statements of the Plan are prepared under the accrual method of accounting.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the reporting period. Actual results could differ from those estimates.

**Payment of Benefits**

Benefits are recorded when paid.

**Investment Valuation and Income Recognition**

Plan investments are reported at fair value which is determined based upon quoted market prices or using observable market based inputs, other than quoted market prices, for similar investments. Funds are valued on a daily basis.

Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies  
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The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

**Risks and Uncertainties**

The Plan provides for various investment options that invest in any combination of stocks, bonds, and fixed income securities and other investment securities. These investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk and uncertainty associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

**Accounting Standards Implemented in 2015**

**Plan Investment Disclosures** - In July 2015, the FASB issued Accounting Standards Update ("ASU") 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contract, (Part II) Plan Investment Disclosures, (Part III) Measurement Data Practical Expedient intended to simplify the disclosure requirements for employee benefit plan investments. Only the amendments presented in Part II of ASU 2015-12 are applicable to the Savings Program for Employees of Praxair Puerto Rico B.V. and its Participating Subsidiary Companies. The new guidance in Part II removes the requirement to disclose individual investments greater than five percent of net assets available for benefits and net appreciation or depreciation by general type of plan assets. Part II also removes the requirement to disaggregate investments by characteristic, nature, and risk as prescribed by ASC Topic 820 and instead allows for disaggregation by general type of plan asset. Part II of ASU 2015-12 is effective for fiscal years beginning after December 15, 2015, with earlier adoption permitted. The adoption of the applicable portion of this guidance did not have a significant impact on the Plan's financial statements.

**Note 4 - Fair Value Measurement**

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value in three broad levels as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities

Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions) and significant to the fair value measurement

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following tables summarize investment assets measured at fair value at December 31, 2015 and 2014:



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Investment Assets at Fair Value at December 31, 2015				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$1,627,730	\$ —	\$ —	\$1,627,730
Praxair, Inc. Common Stock	2,213,763	—	—	2,213,763
Cash Equivalents	493,371	—	—	493,371
Total Investments, at Fair Value	\$4,334,864	\$ —	\$ —	\$4,334,864

Investment Assets at Fair Value at December 31, 2014				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$1,613,721	\$ —	\$ —	\$1,613,721
Praxair, Inc. Common Stock	2,804,715	—	—	2,804,715
Cash Equivalents	136,282	—	—	136,282
Total Investments, at Fair Value	\$4,554,718	\$ —	\$ —	\$4,554,718

There are no plan liabilities required to be recorded at fair value at December 31, 2015 and 2014.

The following is a description of the valuation methodologies for the Plan assets measured at fair value. There have been no changes to the methodologies used at December 31, 2015 and 2014.

**Mutual Funds** – This class primarily consists of publicly traded funds of registered investment companies. The mutual funds invest in marketable equity securities with companies that have large and small market capitalizations, fixed income securities within the domestic market, and international marketable equity securities. The fair value of these investments is determined by reference to the fair value of the underlying securities of the mutual funds. The net asset value of the mutual fund's shares is the closing price as quoted on the exchange where the fund is traded and, therefore, classified as Level 1 within the valuation hierarchy.

**Praxair, Inc. Common Stock** – The Praxair, Inc. common stock class is valued at quoted closing market prices from a national securities exchange. The Praxair, Inc. common stock is classified as Level 1 within the valuation hierarchy.

**Cash Equivalents** – This class consists of short-term money market investments and cash equivalents. Due to the short-term maturities of these investments, cash equivalents are valued at cost, which approximates fair value. Cash equivalents are classified as Level 1 within the fair value hierarchy.

#### Note 5 - Tax Status

The Plan qualifies under sections 1081.01 of 2011 PR Code and complies with all applicable requirements of both Title I of ERISA and the 2011 PR Code. The Plan is comprised of the Banco Popular Master Defined Contribution Retirement Plan and received a favorable determination letter from the Hacienda dated February 12, 2013. Prior to the letter dated February 12, 2013, the Plan received a letter dated July 21, 2010 from the Hacienda. The Plan administrator believes that in design and operation, the Plan continues to operate in compliance with applicable law. Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination. The Administrator has analyzed the tax positions taken by the Plan and has concluded that, as of December 31, 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 6 - Plan Expenses

Fees incurred by the Plan for investment management services are included in net depreciation in fair value of investments. Transfer taxes and other costs and expenses, if any, except administrative costs of the Company associated with the sale and transfer of Praxair common stock, are deducted from the sale proceeds or charged to the participant account (for purchases). For the year ended December 31, 2015, the Company paid all costs of Plan administration and expenses of collecting and

The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies  
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distributing amounts from and to the participants. Amounts paid by the Company for Plan expenses during 2015 were insignificant.

Note 7 - Parties-in-Interest Transactions

Certain Plan investments are shares of mutual funds managed by Banco Popular de Puerto Rico. Banco Popular de Puerto Rico is the trustee as defined by the Plan; therefore, these transactions qualify as party-in-interest transactions. Certain Plan investments include shares of common stock of Praxair, Inc., the Company's parent company; therefore, these transactions qualify as party-in-interest transactions. Loans to participants also qualify as party-in-interest transactions.

Note 8 - Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan's provisions to terminate the Plan at its sole discretion. Upon such termination, the net assets of the Plan will be distributed or sold exclusively for the benefit of the participants (or their beneficiaries). Upon such termination, participants would remain 100% vested.

Note 9 - Subsequent Events

Subsequent events have been evaluated through the date the financial statements were issued.

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The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies

EIN: 66-0605193, Plan Number: 001

Schedule H, line 4i – Schedule of Assets (Held at End of Year)

as of December 31, 2015

(a) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) (e) CostCurrent value
* Praxair, Inc. Common Stock	Praxair, Inc. Common Stock	** \$ 2,213,763
Vanguard 500 Index Fund	Mutual Fund	** 464,027
* Banco Popular Puerto Rico Time Deposit	Cash Equivalent	424,841
American Funds Washington Mutual Investors Fund	Mutual Fund	** 423,689
BlackRock Total Return Fund	Mutual Fund	** 336,586
T Rowe Price Retirement 2030 Fund	Mutual Fund	** 98,548
Harbor Capital Appreciation Fund	Mutual Fund	** 79,576
Federated Government Obligations	Cash Equivalent	** 68,530
T Rowe Price Retirement 2040 Fund	Mutual Fund	** 54,130
T Rowe Price Retirement 2035 Fund	Mutual Fund	** 38,567
Loomis Sayles Small Cap Value Fund	Mutual Fund	** 37,636
T Rowe Price Retirement 2045 Fund	Mutual Fund	** 34,182
T Rowe Price Retirement 2050 Fund	Mutual Fund	** 27,589
Harbor International Adm	Mutual Fund	** 13,211
T Rowe Price Retirement 2020 Fund	Mutual Fund	** 10,143
T Rowe Price Retirement 2015 Fund	Mutual Fund	** 8,105
T Rowe Price Retirement 2025 Fund	Mutual Fund	** 947
	Mutual Fund	** 794



Wells Fargo Advantage Government Sec Fund	
Total investments, at fair value	4,334,864
* Notes receivable from participants	Interest rate of 9%, various maturities 398,328
Total investments, at fair value and notes receivable from participants	\$ 4,733,192
* Party-in-interest as defined by ERISA	
** Cost information is not required for participant directed investments and, therefore, is not included	

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Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrator of the Plan has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies

Date: June 27, 2016    By: /s/ Luis Fernando Duclaud  
Luis Fernando Duclaud  
Managing Director, Praxair Puerto  
Rico, Inc. and member of the Administrative  
Committee of The Savings Program for Employees  
of Praxair Puerto Rico B.V. and Its Participating  
Subsidiary Companies

(On behalf of the Plan)

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Index to Exhibit

Exhibit No. Description

23.01 Consent of Independent Registered Public Accounting Firm