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dated May 14, 2002  
Dr.K/ts

**Minutes  
of the Shareholders' Meeting of  
Linde Aktiengesellschaft with registered offices in Wiesbaden**

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Today, May 14, 2002, I

**Dr. Helmut Keidel,  
Notary in Munich**

with offices at Theatinerstr.7/III, Maffeistrasse entrance, 80333 Munich, reported upon request to the ICM International Congress Center Munich, Trade Fair Grounds, 81823 Munich for purposes of recording the General Shareholders' Meeting of

**Linde Aktiengesellschaft  
with registered offices in Wiesbaden  
HRB 10000 Local Court Wiesbaden**

scheduled for 10 a.m. today.

I hereby submit the following  
minutes

on the discussions and resolutions:

## I. Attendees

Present:

### 1. of the Supervisory Board, consisting of

- a) Dr. rer. pol. Hans Meinhardt,  
former President and Chief Executive Officer of Linde AG,  
Wiesbaden  
- Chairman -
- b) Jakob Staub,  
Chairman of the Works Council, Cologne-Sürth Plant,  
Refrigeration Division of Linde AG, Cologne  
-Vice Chairman -
- c) Dr. jur. Henning Schulte-Noelle,  
Chairman of the Board of Management of Allianz AG, Munich  
- Second Vice Chairman -
- d) Dr. oec. Josef Ackermann,  
Member of the Board of Managing Directors of Deutsche  
Bank AG, Frankfurt am Main
- e) Dr. rer. oec. Karl-Hermann Baumann,  
Chairman of the Supervisory Board of Siemens AG, Munich
- f) Dr. jur. Gerhard Beiten ,  
Attorney-at-law  
Member of the Executive Board of Landesverband Bayern der  
Deutschen Schutzvereinigung für Wertpapierbesitz e.V.,  
Munich
- g) Dip!.-Ök. Rüdiger Bouillon,  
Department Head of the Main Executive Committee of IG  
Bergbau, Chemie, Energie, responsible for Humanization of  
Collective Bargaining Policy, Rodenberg
- h) Otto Forchel,  
Trade Union Secretary on the Executive Board of IG  
Metall Frankfurt, Schöneck

- i) Gernot Hahl,  
Chairman of the Works Council, Worms Plant, Gas Division of  
Linde AG, Worms
  
- j) Joachim Hartig,  
Chairman of the Works Council, Aschaffenburg Plants, Material  
Handling Division of Linde AG, Hösbach
  
- k) Dipl.-Ing. Klaus Heinrich Hofmann,  
Member of the Executive Management, Material Handling  
Division of Linde AG, Haibach
  
- l) Hans-Dieter Katte,  
Chairman of the Works Council, Höllriegelskreuth Plant,  
Engineering Division of Linde AG, Pullach
  
- m) Dr. h.c. Martin Kohlhaussen,  
Chairman of the Supervisory Board of Commerzbank AG,  
Frankfurt am Main
  
- n) Rainer Schmidt,  
Chairman of the Works Council, Hamburg Plant, STILL GmbH,  
Seevetal
  
- o) Dr. rer. pol. Manfred Schneider,  
Chairman of the Supervisory Board of Bayer AG, Leverkusen
  
- p) Prof. Dr. jur. Jürgen F. Strube,  
Chairman of the Supervisory Board of BASF AG, Ludwigshafen,

- the gentlemen listed under a) to i), k) to o) -

**2. of the Executive Board:**

- a) Dipl.-Wirtschaftsing. Gerhard Full, Wiesbaden  
President and Chief Executive Officer

- b) Dr.-Ing. Aldo Belloni, Wiesbaden
- c) Dipl.-Kfm. Hero Brahms, Wiesbaden
- d) Dipl.-Kfm. Hubertus Krossa, Wiesbaden
- e) Dr. Ing. Wolfgang Reitzle, London
- f) Dr.-Ing. Hans-Peter Schmohl, Wiesbaden

- 3. the shareholders and shareholders' representatives,**  
named in the list of attendees (= attendance list) maintained by the Company. They have delivered proof of their right to attend the Shareholders' Meeting and exercise the right to vote in accordance with the Articles of Association and the invitation.

## II. Convening Notice, Voting Formalities

Dr. rer. pol. Hans Meinhardt,  
Chairman of the Supervisory Board, called the meeting to order at 10:05 a.m., took the chair in accordance with the Articles of Association and presided over the meeting. After welcoming the shareholders and shareholders' representatives, guests and media representatives, the Chairman declared the following:

Dr. Keidel, Notary, will record the minutes of the Shareholders' Meeting.

The Shareholders' Meeting was called by a notice published in the *Bundesanzeiger [Federal Bulletin]*, No. 61 of March 28, 2002.  
A copy of this issue is displayed during the Shareholders' Meeting.

The text of the notice, including the agenda, is attached to these minutes as an appendix.

The Chairman further stated:

The approved annual financial statements of Linde AG and the consolidated statements as of December 31, 2001, the summarized Management Report for Linde AG and the Linde Group, the report of the Supervisory Board for fiscal year 2001, the proposal for appropriating unappropriated profits and the reports of the Executive Board on items 6 and 8 of the agenda were available to the shareholders for inspection in the offices of the Company and on the Internet after the notice of the meeting was published. These documents were mailed to each shareholder upon request and are displayed in the meeting room now. They are also included with the other meeting material in the bags that were handed out at the door. The list of shareholdings as an element of the annual financial statements was also displayed and can be inspected at the speaker's registration desk.

The Chairman declared:

The Shareholders' Meeting was properly called as required by law and in accordance with the Articles of Association. Counter-motions from shareholders were not received.

The Chairman stated that his comments and the speech of Mr. Full, President and Chief Executive Officer, will be broadcast on the Internet, that the Company will not have any other audio or video recordings made of the Shareholders' Meeting and that no stenographic minutes will be taken. In addition to the Internet broadcast, the cameras are used only for internal broadcast on the large screens in the meeting room and the monitors in the foyers and adjacent rooms. He added to please note that personal video and audio recordings are not permitted.

Prior to proceeding with the agenda, the Chairman announced personnel changes on the Executive Board.

Mr. Gerold Tandler resigned from the Executive Board on May 31, 2001 to go into retirement. Effective as of May 10, 2002, the Supervisory Board elected Dr. Ing. Wolfgang Reitzle as a full member of the Executive Board, and as President and Chief Executive Officer, effective as of January 1, 2003. The Chairman stated that the Supervisory Board members, Mr. Hartig and Prof. Strube were absent on leave.

## Voting Information

Prior to proceeding with the agenda, the Chairman pointed out that voting was restricted to the admission tickets registered at the door for which the attendees received a voting card. Any shareholders with multiple admission tickets who failed to register all admission tickets may do so immediately, but in any case, before the voting begins. This is the only way to ensure that all shareholdings are represented in the voting.

The Chairman pointed out that, unless determined otherwise, only the no votes and abstentions would be counted and that due to organizational reasons these could be recorded only in this meeting room, and therefore, all shareholders and shareholders' representatives affected by this would have to come to this room to cast their vote before the voting process begins.

He asked that any shareholders and shareholders' representatives who wish to leave the Shareholders' Meeting early check out and leave their voting cards at one of the counters at the exit in the ground floor foyer. These shares would then be deducted from the attendance. At these counters, power of attorney to exercise proxy voting rights may be given to another person who is present. Such power of attorney must be given in writing, as required by law. The appropriate form is provided on the reverse of the voting card. Additional preprinted forms are available at the counters, where attendees can also authorize an employee of the Company to exercise their voting right. Instructions on the individual items of the agenda may be given on the reverse of the form. The completed proxy forms must be delivered to one of the counters at the checkout.

The Chairman announced that he would provide more detailed information prior to voting and otherwise referred to item VI of the information brochure that had been distributed.

The Chairman declared the meeting room, the accessible adjacent rooms and foyers, provided that they or on this side of the registration desks, as the effective meeting area where the meeting will be broadcast live.

### **Comments on speaker registration**

The Chairman asked that the ladies and gentlemen who wish to address the meeting fill in the speaker registration form and take it to the speaker's registration desk. Forms are available at the desk.

He announced that anybody who wishes to address the meeting would be given the opportunity to speak at one of the lecterns to ensure that the comments would be heard throughout the room as well as in the adjacent rooms and in the foyers.

### **Comments on attendance**

The Chairman announced:

The attendance at today's Shareholders' Meeting will be announced before the first vote. The Notary has an electronic attendance list which may be inspected by any attendee. In addition, the actual attendance figure will be announced at the time the voting takes place.

## **III. Agenda**

The Chairman called item 1 of the agenda for explanation and discussion:

### **Item 1 of the agenda:**

**Presentation of the approved annual financial statements of Linde AG and the consolidated financial statements as of December 31, 2001, as well as the summarized Management Report for Linde AG and the Linde Group and the report of the Supervisory Board of fiscal year 2001**

The Chairman gave the floor to the President and Chief Executive Officer of the company,

**Dipl.-Wirtschaftsing. Mr. Gerhard Full,**

who discussed the reports and the proposed appropriation of unappropriated profits of the last fiscal year. He also commented on the authorization to acquire treasury shares which is proposed under item 6 and the proposed Linde management incentive program under item 8 of the agenda.

Mr. Full also delivered a report on the business situation of the Linde Group in the first few months of the year 2002 and an overview of further business developments this year.

The Chairman thanked Mr. Full for his detailed report on the issues he addressed and mentioned that the speech is available at the central information booth on the ground floor.

The Chairman referred to the report of the Supervisory Board on pages 6 and 7 of the Annual Report and talked about the activities of the Supervisory Board.

The Chairman then declared:

The annual financial statements of Linde AG, the consolidated financial statements as of December 31, 2001, and the summarized Management Report for Linde AG and the Linde Group were audited by KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, which was appointed auditor by the Shareholders' Meeting. The auditor's opinion was unqualified.

In its meeting of March 15, 2002, the Supervisory Board adopted the annual financial statements of Linde AG, which were prepared by the Executive Board and which therefore have been approved. The Supervisory Board approved the proposal of the Executive Board on the appropriation of unappropriated profits.

**Attendance**

The Chairman announced the  
attendance at the Shareholders' Meeting

which had been established in the meantime, as follows:

Of the total 119,262,134 issued shares of the Company

**64,595,107 no par value shares**

are represented according to the attendance list, which corresponds to an equivalent number of votes and represents capital in the amount of Euro 165,363,474 based on the capital stock of Euro 305,311,063.04. This is approximately **54.16%**.

Changes during the meeting will be recorded in respective addenda.

An attendance list was generated and displayed on a monitor and was therefore accessible to all attendees for the duration of the Shareholders' Meeting.

### **General Debate**

The Chairman opened the floor for

#### **d i s c u s s i o n**

and asked that all items of the agenda be discussed at this time. He also referred to the detailed text of the agenda, which was mailed together with the invitation and which is also available today, and added the following:

In the interest of a speedy process, all speakers are asked to keep their comments brief and focus especially on specific issues so as to optimally meet the need for information of all shareholders.

He would hope that he would not be forced to set a formal time limit for speakers.

Several shareholders and shareholders' representatives asked to address the meeting:

1. Dr. Daniela Bergdolt on behalf of Deutsche Schutzvereinigung für Wertpapierbesitz e.V. [German association for the protection of securities holdings], Düsseldorf,
2. Mr. Willi Bender on behalf of Schutzgemeinschaft der Kleinaktionäre [Association for the protection of minority shareholders], Munich,
3. Mr. Herbert Hansen
4. Dr. Jod-Werner Hartmann
5. Mr. Thilo Burkhardt
6. Mr. Hans-Peter Corneille who asked the shareholders to refuse formal approval of the actions of the Executive Board and the Supervisory Board
7. Mr. Wolfgang Pest
8. Mr. Friedrich Hörauf.

Mr. Full and the Chairman responded to the questions. Once the Chairman had ascertained that no other shareholders wished to address the meeting and that all questions had been answered, he closed the general debate at around 1:15 p.m.

### **Voting**

The Chairman called for votes on **items 2 to 8 of the agenda.**

Before the first vote, the Chairman explained the procedure again, as follows: Votes on the separate items of the agenda will be cast all in one block and will be called together.

Pursuant to clause 14 (2) of the Articles of Association, the Chairman established the voting procedure as follows:

The voting results will be determined based on the subtraction method, according to which only the no votes and abstentions are recorded and deducted from the previously established attendance figure. The yes votes are then the difference between the total number of votes of all eligible voters on the one hand and the no votes and abstentions on the other hand.

He reserved the right to change the voting procedure if he found this to be practical.

The Chairman pointed out again that no votes and abstentions could be recorded only in the meeting room and asked that the shareholders and shareholders' representatives in the foyers and adjacent rooms who wished to cast a no vote or abstain with respect to at least one item of the agenda to come to the meeting room immediately and not to leave the room, if possible, until after the voting has been completed.

The Chairman stated:

The voting process is computer-supported. All attendees received voting cards for this purpose at the registration desk. Any attendees who wish to cast a no vote or abstain with respect to one or more of the items of the agenda which are called at the same time must check the applicable item or items of the agenda on their voting cards before they vote and clearly identify themselves by a raising a hand when requested. The voting assistants will then approach these attendees with the mobile data collection equipment and record the no votes and abstentions by means of the voting cards. With the computer-supported voting system being used, this may occur concurrently.

The Chairman asked that the display on the equipment be checked to ensure that each vote is correctly recorded. The displayed information confirms that the vote has been recorded in the central computer. All votes registered as being present which are not recorded as a no vote or an abstention are counted as yes votes. The number of shares equals the number of votes.

The Chairman referred again to the explanations on the voting procedure under item VI of the information brochure that everyone had received. There were no further requests to speak.

The Chairman then called the shareholders to vote on the proposals of the management according to items 2 to 8, as follows:

**Item 2 of the agenda:****Appropriation of unappropriated profits**

The Executive and Supervisory Boards propose that unappropriated profits for the past fiscal year 2001 amounting to € 134,766,211.42 be appropriated and paid out as a dividend of € 1.13 on each share entitled to dividends.

**Item 3 of the agenda:****Formal approval of the actions of the Executive Board**

The Executive and Supervisory Boards propose that the actions of the members of the Executive Board in fiscal year 2001 be formally approved.

**Item 4 of the agenda:****Formal approval of the actions of the Supervisory Board**

The Executive and Supervisory Boards propose that the actions of the members of the Supervisory Board in fiscal year 2001 be formally approved.

With respect to items 3 and 4 of the agenda, the Chairman referred to the voting prohibition according to § 136 of the AktG [*Stock Corporation Act*]: Pursuant to § 136 (1) of the AktG, the members of the Executive Board and the Supervisory Board are not allowed to vote on the resolutions of the formal approval of their actions if they represent shares owned personally or by a third party. This also applies to shareholders' representatives if they represent a member of the Executive Board or the Supervisory Board. The members of the Executive Board and the Supervisory Board have been informed that they are excluded from voting and have been asked to make appropriate arrangements.

**Item 5 of the agenda:**

**Appointment of auditor for fiscal year 2002**

The Supervisory Board proposes that

**KPMG Deutsche Treuhand-Gesellschaft  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft  
Berlin and Frankfurt am Main**

be appointed auditor for fiscal year 2002.

**Item 6 of the agenda:**

**Authorization to acquire treasury shares**

The Chairman stated:

The existing authorization, which was given in the last Shareholders' Meeting, is expiring and has to be renewed and expanded to include the possibility of developing a Linde management incentive program as proposed under item 8 of the agenda of this Shareholders' Meeting.

He referred to the comprehensive text of the proposed resolution and the respective report of the Executive Board which was submitted in accordance with the requirements of the Stock Corporation Act, and to the related comments in the speech of the President and Chief Executive Officer.

He stated that the respective proposed resolution, including the report of the Executive Board, was available again to all attendees today, and therefore, the contents were known.

The Chairman called for a vote on the proposal in its original form and pointed out that in addition to a simple majority, a capital majority of three quarters of the represented capital stock was required in accordance with § 71 (1) No. 8, § 186 (3), sentence 2 of the AktG.

**Item 7 of the agenda****Resolution to facilitate voting in the Shareholders' Meeting and the mechanism of passing resolutions by the Supervisory Board and an amendment taking into account new rules on depositing shares, with corresponding changes in the Articles of Association**

The Chairman referred to the respective proposals of the Executive and Supervisory Boards contained in the invitation and commented as follows: The Articles of Association of the Company are to be amended to conform to the law concerning registered shares and to facilitate the exercise of voting rights as well as to use the possibilities of making rules more flexible, especially in consideration of technical progress..

The Chairman called for a vote on the proposal in its original form and pointed out that in addition to a simple majority, a capital majority of three quarters of the represented capital stock was required in accordance with § 179 (2), sentence 1 of the AktG.

**Item 8 of the agenda****Authorization to grant subscription rights to members of the Executive Board and senior management of Linde AG as well as to members of management boards and senior management of affiliated companies, creation of contingent capital and corresponding change to the Articles of Association**

The Chairman referred to the respective proposal of the Executive and Supervisory Boards contained in the invitation and commented as follows:

The Executive Board submitted a comprehensive written report on the Linde management incentive program, including detailed explanations. The report was mailed to the attendees with the invitation to the Shareholders' Meeting and is available again today.

The Chairman also referred to the related comments in the speech of the President and Chief Executive Officer.

The Chairman called for a vote on the proposal in its original form and pointed out that in addition to a simple majority, a capital majority of three quarters of the represented capital stock was required in accordance with § 193 (1), sentence 1 of the AktG.

There were no requests to address the meeting.

The Chairman then called for

### **votes**

on items 2 to 8 of the agenda.

The Chairman repeated his request that all shareholders and shareholders' representatives in the foyers and adjacent meeting rooms who wished to cast a no vote or abstain with respect to one or more proposals come to the meeting room immediately as these votes would be recorded only in this room.

He asked all attendees who wished to cast a no vote or abstain with respect to one or more of the proposals under agenda items 2 to 8 to fill in their voting cards accordingly and raise a hand.

The Chairman asked the voting assistants to begin recording the votes.

The Chairman repeatedly asked whether all no votes and abstentions had been recorded.

Once this had occurred, he stated that all votes had been cast and therefore, the voting was completed.

He asked that the results be totaled.

The Chairman announced the actual attendance while voting on items 2 to 8 of the agenda took place, as follows:

During the block-type voting on items 2 to 8 of the agenda, attendance had changed to

**64,612,388 no par value shares**

representing the same number of votes,

which is equivalent to approx. **54.18%**.

### **Voting Results**

Voting result:

of item 2 of the agenda:

Attendance: unchanged

No votes: 3,211

Abstentions: 6,689

Yes votes: 64,602,488

of item 3 of the agenda:

Attendance: unchanged

No votes: 3,844

Abstentions: 29,086

Yes votes: 64,579,458

Excluded from voting: 100 votes

of item 4 of the agenda:

Attendance: unchanged

No votes: 4,126

Abstentions: 29,235

Yes votes: 64,578,894

Excluded from voting: 173 votes

of item 5 of the agenda:

Attendance: unchanged

No votes: 27,963

Abstentions:	19,905	
Yes votes:		64,564,520

of item 6 of the agenda:

Attendance:	unchanged	
No votes:	22,971	
Abstentions:	9,314	
Yes votes:		64,580,103

of item 7 of the agenda:

Attendance:	unchanged	
No votes:	6,109	
Abstentions:	7,991	
Yes votes:		64,598,288

of item 8 of the agenda:

Attendance:	unchanged	
No votes:	1,368,424	
Abstentions:	7,901	
Yes votes:		63,236,063

The Chairman then announced the voting results of items 2 to 8 of the agenda as follows:

**Item 2:**

Yes votes:	64,602,488 votes
No votes:	3,211 votes
Abstentions:	6,689 votes

The Chairman stated that based on the result, management's proposal on the appropriation of unappropriated profits for fiscal year 2001 has been approved.

**Item 3:**

No votes:	3,844 votes
Abstentions:	29,086 votes

Voting rights were excluded as required.

The Chairman stated that based on the result, management's proposal that the actions of the Executive Board for fiscal year 2001 be formally approved has been approved.

**Item 4:**

No votes:	4,126 votes
Abstentions:	29,235 votes

Voting rights were excluded as required.

The Chairman stated that based on the result, management's proposal that the actions of the Supervisory Board for fiscal year 2001 be formally approved has been approved.

**Item 5:**

No votes:	27,963 votes
Abstentions:	19,905 votes

The Chairman stated that based on the result, KPMG Deutsche-Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Berlin and Frankfurt am Main was appointed auditor for fiscal year 2002.

**Item 6:**

No votes:	22,971 votes
Abstentions:	9,314 votes

The Chairman stated that based on the result, management's proposal that the acquisition of treasury shares be authorized has been approved with the required majority of votes and capital stock.

**Item 7:**

No votes:	6,109 votes
Abstentions:	7,991 votes

The Chairman stated that based on the result, management's proposal that the Articles of Association be amended has been approved with the required majority of votes and capital.

**Item 8:**

No votes:	1,368,424 votes
Abstentions:	7,901 votes

The Chairman stated that based on the result, management's proposal that granting subscription rights to members of the Executive Board and senior management of Linde AG as well as to members of management boards and senior management of affiliated companies and the creation of contingent capital be authorized has been approved with the required majority of votes and capital.

The Chairman stated that the agenda of the General Shareholders' Meeting had been completed. He thanked all those present and declared the meeting closed at 1:40 p.m.

He announced that the next General Shareholders' Meeting would be held May 27, 2003 in Munich, again at the International Congress Center.

#### **IV. Declarations**

I, the Notary, hereby expressly declare the following with respect to the meeting:

1. The agenda was displayed for the duration of the Shareholders' Meeting.
2. The attendance list was accessible to all attendees prior to the first vote and for the duration of the Shareholders' Meeting on a monitor located at the Notary's desk. The attendance list was computer-generated. The computer system contained a list of all shareholders who registered for the meeting. The attendance list was generated based on this list of registered attendees by scanning the attendees' admission tickets, which were provided with a barcode, at the check-in desks located in the entrance area. The original admission tickets were retained. In exchange, the attendees received a voting card, which had been linked to the admission ticket in the computer system so as to electronically transfer the DAMBA [*data exchange with banks*] number and quantity of shares or votes, respectively, of each attendee to the voting card. Through this process, the voting cards were linked to the shareholders or shareholders' representatives listed in the attendance list. The front side of the voting cards contained barcodes for the votes on items 2 to 8 of the agenda. No votes and abstentions were transmitted via scanner through portable voting terminals directly into the computer system. The voter was able to verify on the portable monitor that the votes were correctly recorded. Each separate voting event was displayed on a monitor on the Notary's/speaker registration desk, which allowed the Notary to observe the process.

Attendance was monitored by the card control at the entrance and all other access points to the rooms where the Shareholders' Meeting was held. Authorization forms for proxy votes were available at the card control desks.

The process of scanning the admission tickets into the attendance list was inspected by the Notary's own team to eliminate sources of error.

3. The entire voting and election process took place in the form established and described by the Chairman and with the voting results he announced.
4. No objection was filed with respect to the minutes. No request to include questions in the minutes of the meeting was received.
5. The Company requested ten copies of the minutes, one of which to be filed with the Registration Court in accordance with § 325 (2) of the HGB [*German Commercial Code*], and four notarized copies for the registration courts of the subsidiaries.

Recorded by:

[signature]

Dr. Kreidel, Notary

[Notary's stamp]

**LINDE AG**  
Wiesbaden



Dear Shareholders,

We hereby invite you to this year's

**Shareholders' Meeting  
on Tuesday, May 14, 2002 at 10.00 am**

at the ICM International Congress Center Munich , Trade Fair Grounds, 81823 Munich,  
Germany.

**Agenda**

**1. Presentation of the approved annual financial statements of Linde AG and the consolidated financial statements as of December 31, 2001, as well as the summarized Management Report for Linde AG and the Linde Group and the Report of the Supervisory Board for fiscal 2001.**

These documents can be inspected at the offices of Linde AG, Abraham-Lincoln-Straße 21, 65189 Wiesbaden and Dr.-Carl-von-Linde-Straße 6-14, 82049 Höllriegelskreuth, as well as on the Internet at <http://www.linde.de/hauptversammlung>. They will also be sent to shareholders on request.

**2. Appropriation of unappropriated Profit**

The Executive and Supervisory Boards propose that unappropriated profit for the past fiscal year 2001 amounting to € 134,766,211.42 be appropriated and paid out as a dividend of € 1.13 on each share entitled to dividends.

**3. Formal approval of the actions of the Executive Board**

The Executive and Supervisory Boards propose that the actions of the members of the Executive Board in fiscal 2001 be formally approved .

#### **4. Formal approval of the actions of the Supervisory Board**

The Executive and Supervisory Boards propose that the actions of the members of the Supervisory Board for fiscal 2001 be formally approved .

#### **5. Appointment of Auditor**

The Supervisory Board proposes that KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Berlin and Frankfurt/Main be appointed auditor for fiscal 2002.

#### **6. Authorization to Acquire Treasury Shares**

As the authorization to acquire treasury shares as resolved at the last Shareholders' Meeting expires during the course of the current fiscal year, the Executive Board is to be authorized again to acquire treasury shares.

The Executive and Supervisory Boards therefore propose the following resolution:

- a) Pursuant to § 71 (1) No. 8 German Stock Corporation Act, the Company shall be authorized until October 31, 2003 to acquire treasury shares, these not exceeding in total 10% of current capital stock. The shares may be acquired through the stock exchange or by public offer directed at all shareholders. The price paid for the shares (excluding ancillary costs) shall not be 10% above or below the average share price quoted at the close of XETRA trading (or a comparable successor system) at the Frankfurt Stock Exchange, as calculated over three days prior to purchasing the shares. Where a public offer to acquire treasury shares is made, the price paid for the shares may not be more than 20% above or below the average share price quoted at the close of XETRA trading (or a comparable successor system) at the Frankfurt Stock Exchange, as calculated over three days prior to the publication of the offer . Where the volume of shares available for purchase in a public offer exceeds the defined repurchasing volume, shares shall be acquired in ratio to the number of shares offered. The Company may decide to give preference to those shareholders who offer up to 100 shares. Where applicable, the rules of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz) shall be followed.
- b) Subject to approval by the Supervisory Board, the Executive Board is authorized to sell other than via the stock exchange or by offer to all shareholders treasury shares of the Company thereby excluding shareholder subscription rights, provided the price at which such shares are sold is not significantly lower than the price offered for the same type of share of the Company at the time of sale. This authorization is limited to a maximum of 10% of capital stock of the Company at the time of exercise under inclusion of the right to issue Authorized Capital II in accordance with 3.8 of the Articles of Association. The price that shall apply in the above rule is the average of prices of the Linde share at the close of XETRA trading (or a comparable successor system) quoted at the Frankfurt Stock Exchange, calculated over the five successive trading days prior to sale.

Subject to approval by the Supervisory Board, the Executive Board is furthermore authorized to offer treasury shares of the Company as a non-cash contribution as part of a transaction to acquire a company or a shareholding in a company or as part of a merger deal, thereby excluding shareholder subscription rights. The Executive Board is furthermore authorized to issue shares as employee shares to employees and retired members of the Company and its affiliated companies or to service option rights for Company shares in accordance with item 8 of the Agenda of this Shareholders' Meeting with respect to the resolution on the Linde Management Incentive Program for members of the Executive Board of the Company, members of management boards of affiliated companies and other senior members of management of the Company and its affiliated companies (hereinafter described collectively as "senior management"). Where treasury shares are to be transferred to members of the Executive Board of the Company, this authorization shall be exercised by the Supervisory Board alone.

In all the above cases and to that extent, shareholder subscription rights shall be excluded.

The Executive Board is furthermore authorized to withdraw treasury shares without further resolution by the Shareholders' Meeting to authorize the withdrawal.

- c) Having regard for the restriction under a) above, all the above authorizations can be exercised by the Company, as well as by companies consolidated as part of the Company or on their behalf by third parties, for full or partial amounts.
- d) When this new authorization comes into force it shall annul the current authorization to acquire treasury shares as resolved by the Shareholders' Meeting on May 29, 2001, the latter authorization being scheduled to expire on November 28, 2002.

## **7. Resolution to facilitate voting in the Shareholders' Meeting and the mechanism of passing resolutions by the Supervisory Board and an amendment taking into account new rules on depositing shares, with corresponding changes in the Articles of Association**

The law concerning registered shares and to facilitate the exercise of voting rights (hereinafter "the Law") has effectively changed parts of the German Stock Corporation Act, thereby enabling articles of association to be more flexibly formulated, at the same time making it necessary to amend the wording of the Company's own Articles of Association.

In particular, the Law now permits rules in articles of association making it easier to exercise proxy voting rights compared to the old ruling, which required written power of attorney. Accordingly, the Linde AG's Articles of Association are to be amended, making them more flexible and in line with technical progress, at the same time making it easier to exercise voting rights. It is also intended to amend the Articles to take into account new legislation with regard to the deposition period of shares.

Furthermore, all means of modern telecommunication are to be put at the disposal of the Supervisory Board as part of its mechanism in passing resolutions.

Accordingly, the Executive and Supervisory Boards propose:

- a) In amendment of the time limit for depositing shares, 12.2 of the Articles of Association shall now read:

"12.2 Shareholders shall be entitled to participate in the Shareholders' Meeting and

to exercise voting rights when they have deposited their shares with the Company or with depositories listed in the official invitation to the Meeting. Shares must be deposited at the latest seven days before the date of the Meeting during normal business hours and remain deposited until the Meeting has terminated. Shares shall be deemed deposited when, subject to approval by one of the depositories, they have been blocked in good time by a commercial bank."

- b) The following new 12.3 shall be added to number 12 of the Articles of Association in order to ease voting rights at the Shareholders' Meeting:

"12.3 Voting rights can be exercised by proxy. Powers of attorney, other than those granted to a banking institution or shareholders' association, shall be made in writing or, if so determined by and in such manner as the Company shall define electronically. Detailed instructions on how a power of attorney may be issued electronically shall be notified together with the invitation to the Shareholders' Meeting in the official journals/newspapers used by the Company for notification purposes."

Previous 12.3 of the Articles of Association shall become 12.4 of the Articles of Association.

- c) The following new number 14.3 shall be added to number 14 of the Articles of Association in order to enable discussion taking place in the Shareholders' Meeting to be broadcast fully or partly,

"14.3 The Chairman is entitled to allow discussion at the Shareholders' Meeting to be recorded and broadcast via electronic media where legally permissible."

- d) Number 9.1 of the Articles of Association shall be amended to ease the mechanisms available to the Supervisory Board when making its resolutions:

"9.1 Resolutions shall be taken by the Supervisory Board in their meetings. Meetings may be held and resolutions taken in written form, by telephone, via telecommunication or comparable means when the Chairman of the Supervisory Board stipulates this in individual cases and where this is not opposed by a member of the Supervisory Board. This also applies to resolutions taken by the Committees set up by the Supervisory Board. "

**8. Authorization to grant subscription rights to members of the Executive Board and senior management of Linde AG, as well as to members of management boards and senior management of affiliated companies. Creation of contingent capital and corresponding change to the Articles of Association.**

The Executive and Supervisory Boards propose the following resolution:

- a) Subject to approval by the Supervisory Board, the Executive Board is authorized until May 14, 2007 to issue on one or several occasions up to 6,000,000 subscription rights for Linde AG shares (hereinafter "option rights") to members of the Executive Board of Linde AG, members of management boards of its affiliated companies in the sense of §§ 15 et seq. of the German Stock Corporation Act (AktG), as well as senior managers, the options having currency for seven years in each case in accordance with the conditions given below (Linde Management Incentive Program ). Where option rights are to be issued to members of the Executive Board of Linde AG, the Supervisory Board alone is authorized.

The main points of the Linde Management Incentive Program are as follows:

aa) Entitlement to subscribe

Those persons entitled to subscribe (hereinafter "entitled persons") are members of the Executive Board of Linde AG (Group 1), members of management boards of affiliated companies in Germany and abroad (Group 2) and other selected senior managers below the levels of Executive Board of Linde AG or management boards in affiliated companies in Germany and abroad (Group 3). Deciding on the precise circle of entitled persons and the number of option rights granted is the prerogative of the Executive Board of Linde AG. Where members of the Executive Board of Linde AG are entitled persons, the number and issue of option rights shall be decided by the Supervisory Board alone.

The total volume of option rights shall be divided among the groups of entitled persons as follows:

1. Members of the Executive Board of Linde AG (Group 1): maximum 1,200,000 option rights;
2. Members of management boards of German and foreign companies affiliated to the Linde Group (Group 2): maximum 1,200,000 option rights;

3. Other senior managers below the level of Executive Board or management boards of German and foreign companies affiliated to the Linde Group (Group 3): maximum 3,600,000 option rights.

Participants in the program belonging to more than one of the above groups have option rights accruing to only one group.

bb) Acquisition time limits

The option rights shall be granted in annual installments over the next five years. The day of issue is a trading day at the stock exchange during a period of two months starting on the sixth day of trading at the stock exchange following the Shareholders' Meeting of the Company.

cc) Content of option rights

For each option right held, holders are entitled to acquire one new share of the Company with a mathematical portion of the capital stock of € 2.56 at the exercise price. Instead of providing Linde AG shares from contingent capital created for this purpose, the Company may fulfill its commitment when the option is exercised by supplying treasury shares or by paying in cash per share the difference between the price on the day on which the option is exercised and the closing price on the XETRA on the same day (cash compensation).

dd) Exercise price and target

The price at which an option to acquire one new share can be exercised is 120% of the base price, but at least the proportionate amount of one share of the capital stock of the Company. The base price is the average closing price of the Linde share in XETRA trading (or a comparable successor system) at the Stock Exchange in Frankfurt/Main over the last five trading days before the day on which the option right is issued (day of issue). The exercise price is thus an expression of the target.

Should the Company increase or decrease capital stock during currency of the option rights, the price at which the option can be exercised or the number of shares to be supplied per option right can be adjusted in accordance with the conditions that apply.

ee) Waiting period and time limits during which rights may be exercised

In accordance with the conditions that apply, option rights can be exercised at the earliest two years after the day of issue (waiting period) throughout the whole period of currency of the option rights, i.e., throughout the five years after the waiting period. Option rights can not be exercised during any of the following periods:

- Three weeks before and up to two days after notification of the quarterly and semi-annual results
- From two weeks before the end of the fiscal year up to two days after notification of the results of the expired fiscal year

- 14 weeks before and until the third banking day after the Shareholders' Meeting.

Apart from the above rules, restrictions pursuant to German law such as the insider trading rules of the German Securities Trading Act shall apply.

ff) Other rules

Option rights are neither assignable, nor can a charge be placed on them. They expire at the time when the holder of option rights ceases to be employed or has been given notice by Linde AG or an affiliated company in the sense of §§ 15 et seq German Stock Corporation Act. Extraordinary rules may apply in special cases such as death, occupational inability or retirement of the holder of option rights, as well as when affiliation of an affiliated company of the Linde Group is terminated. No transactions may be undertaken which would alter the commercial risk of entitled persons in the program (e.g. hedging transactions).

Subject to approval by the Supervisory Board, the Executive Board is authorized to create further conditions including such as relate to the issue and content of the option rights, as well as to the procedure used in exercising the option. Where option rights are to be issued to members of the Executive Board of the Company, such rules shall be laid down by the Supervisory Board.

- b) Capital stock of the Company shall be increased contingently up to a total of € 15,360,000 divided into a total of 6,000,000 new shares, each share with a proportionate amount of € 2.56 of the capital stock of the Company (Contingent Capital 2002).

Contingent Capital 2002 shall be used to fulfill the rights of holders of option rights as issued under the above authorization a) by the Company. The issue of shares to holders of option rights shall be subject to the exercise price as described under a). A contingent increase in capital shall only be carried out to the extent that option rights are issued, holders of such option rights exercise these rights and the Company does not fulfill these rights by transferring treasury shares or by cash compensation. The new shares to be issued as a result of holders exercising option rights shall first be entitled to dividends for the fiscal year for which at the time of their issue no resolution has yet been made by the Shareholders' Meeting with regard to the appropriation of unappropriated profit.

- c) The following new number 3.11 shall be added to number 3 of the Company's Articles of Association (Capital Stock and Shares):

"A contingent increase in the Company's capital stock up to a total amount of € 15,360,000 divided into a total of 6,000,000 new shares shall be made (Contingent Capital 2002). The contingent increase in capital shall only be carried out to the extent that holders of option rights issued by the Company pursuant to the authorization granted to the Executive Board by resolution of the Shareholders' Meeting of May 14, 2002 exercise their option rights and the Company does not fulfill these option rights by transfer of treasury shares or by way of cash

payment. The new shares to be issued as a result of holders exercising their option rights shall first be entitled to dividend payments for the fiscal year for which at the time of their issue a resolution has yet to be made by the Shareholders' Meeting with regard to the appropriation of unappropriated profit."

**Re. Agenda Item 6: Report of Executive Board pursuant to § 71 (1) No. 8 in conjunction with § 186 (3) sentence 4, (4) sentence 2, German Stock Corporation Act (AktG).**

Under item 6 of the Agenda, due to expiry of the authorization resolved at the last Shareholders' Meeting, the Company is to be authorized to acquire treasury shares again by the Shareholders' Meeting this year. The authorization to use these shares shall extend to their issue as part of the Linde Management Incentive Program as described under item 8 of the Agenda.

Authorizing the Company to re-sell treasury shares enables it to use them to obtain own funds again. Apart from selling shares through the stock exchange or by way of public offer to the shareholders - itself ensuring equal treatment of shareholders in line with current legislation - the proposed authorization enables the Company to otherwise sell the shares, provided the price paid for them is not significantly lower at the time of sale than the price quoted on the stock market for the Company's shares of the same type. The share price that applies under this rule is the average closing price of the Linde share in XETRA trading (or a comparable successor system) on the Frankfurt/Main stock exchange during the five trading days immediately prior to the sale. Final determination of the sales price of treasury shares shall be made close to the date on which the shares are to be sold.

This authorization, which empowers the Company to exclude subscription rights pursuant to § 186 (3) sentence 4 of the German Stock Corporation Act (AktG), is in the interest of the Company, enabling it for example to sell treasury shares to institutional investors or use such shares to launch the share on foreign stock exchanges. Furthermore, it enables the Company to gain new groups of shareholders in Germany and abroad. The right to exclude subscription rights places the management in a position to exploit favorable opportunities on the stock exchanges, in particular to place shares more quickly and cheaply than would otherwise be possible when having to respect subscription rights before sale.

When the Company sells treasury shares to third parties under the exclusion rule, the asset and voting interests of the shareholders are adequately protected by virtue of § 71 (1) No. 8 of the German Stock Corporation Act (AktG). Authorization is limited to a total of 10% of the capital stock of the Company, including the authorization to issue Authorized Capital II as described under 3.8 of the Articles of Association. Treasury shares, when sold other than via the stock exchange or by way of public offer to the shareholders, may only be sold at a price not significantly lower than the quoted price at the time of sale for the same type of shares of the Company.

The proposed resolution also provides that subscription rights be excluded in order to enable the Company to offer treasury shares as part of a transaction when acquiring a company or shareholding therein, or as part of a merger deal. This enables the Company to act quickly and successfully on national and international markets when taking up favorable offers or other opportunities to acquire companies or holdings in companies, as well as when entering into merger deals with other companies. Frequently such negotiations call for shares as consideration, rather than cash payments. The above authorization takes this into account.

Finally, the authorization will enable the Company to issue the shares as employee shares or to service senior management with regard to option rights they may have acquired under the Linde Management Incentive Program as described under item 8 of the Agenda of this Shareholders' Meeting. For this purpose, the Company has Authorized Capital available or may create new Contingent Capital together with the corresponding authorization as intended under item 8 of this year's Agenda. The main points of the Linde Management Incentive Program are described under item 8 above, as well as in the pertinent report by the Executive Board. As part of the ruling on option rights, the Company in addition has the right to pay cash in lieu of shares. The use of treasury shares instead of a capital increase or a cash payment may be commercially meaningful, and this authorization increases the Company's scope accordingly. Using treasury shares also ensures that capital stock is not diluted. Here, too, shares used for this purpose involve the exclusion of subscription rights. The decision as to how options are to be fulfilled in each case remains the prerogative of the organs of the Company which are in duty bound to respect the best interests of shareholders and Company alike. The Chairman of the Supervisory Board will report on any such decisions at the next Shareholders' Meeting.

Finally, the Executive Board may withdraw treasury shares without further resolution by the Shareholders' Meeting.

### **Re. Agenda Item 8: Report of the Executive Board to the Shareholders' Meeting**

The commercial success of the Linde Group is highly dependent on the qualification of its employees, especially senior management. Issuing share options as a management incentive program is an important aspect of modern remuneration and is widely used internationally. In order to succeed in the global competition to obtain the best employees, the Company must be able to offer competitive, market-oriented payment models. As a globally operating concern, Linde AG also wants to be able to run a management incentive program in order to provide its decision-makers in Germany and abroad with attractive payment conditions, compared to its competitors. To this end, the Company wishes to make full use of the opportunities created by legislation to enable senior management to participate in the Company and its commercial development.

The share option program will be run along the usual international lines in compliance with German stock corporation legislation.

The price at which an option to acquire one new share can be exercised is 120% of the base price, but at least the proportionate amount of one share of the capital stock of the Company. The base price of the option rights is calculated from the closing price in XETRA trading over the last five trading days before the day on which the option right is issued. The 20% mark-up on the base price represents a commercial target and is at the same time the legally required target with regard to absolute growth in the share price of a share of the Company. Exercising the option is thus only commercially meaningful when the share price has exceeded the exercise price. The resolution before the Meeting includes further restrictions with regard to the assigning of option rights. This is designed to ensure that the option plan remains a personal incentive for the holder.

We are convinced that an incentive program must function fully in accordance with the best interests of the shareholders. This is all the more important as issuing shares from a contingent increase in capital leads to a dilution in the capital proportions. We believe that the manner in which the incentive program has been set up will ensure that shareholder interests are respected. The advantages which accrue to participants in the incentive program are closely linked to the commercial risks and success of the Company as reflected in the growth of its share price. This is particularly clear with regard to the barrier of a 20% mark-up on the base price when exercising the option. This means that the motivation of participants is closely linked to the best interests of the shareholders, namely to see an increase in the value of the Company during the medium term.

We have designed the Management Incentive Program such that, as the law stands, the share issue from contingent capital has no income statement effect as well under the IAS accounting rules as under US GAAP rules. Setting up the option program so that it has no effect on results in the consolidated financial statements has a positive effect on key figures such as profit per share, in turn influencing how the Company is valued on the stock markets. Although the precise rules are yet to be finalized under IAS with regard to how stock option programs should be accounted over the long term, IAS has frequently oriented itself to the US GAAP rules in the past. Accordingly, we have applied the latter rules when setting up the program .

A maximum of 6,000,000 option rights (total volume) will be issued in total to cover all participating Groups during the five year currency of the stock option program . The total volume will be divided among the individual Groups as follows: Members of the Executive Board of Linde AG will receive a maximum of 1,200,000 option rights or 20% of the total volume, members of Group 2 will also receive 20% of the total volume, i.e., 1,200,000 units and members of Group 3 will receive a total of 60% of the total volume or 3,600,000 units. Around 340 persons are expected to participate.

In order to secure the option rights to be issued, the Shareholders' Meeting is being asked to approve the issue of contingent capital of € 15,360,000. This constitutes around 5% of current capital stock and is well below the legal maximum level of 10%. The total volume of option rights to be issued is low compared to programs offered by other DAX-30 companies because of Linde's relatively low capital gearing. This justifies permitting the Executive Board to receive a total of 20% of option rights.

Option rights can be exercised against shares issued from contingent capital or treasury shares repurchased or by payment of the difference per share between the exercise price and the closing XETRA price on the day on which the option is exercised (cash compensation). This ensures that the Company can respond flexibly when holders exercise their subscription rights. The decision as to which of the above methods is used is the prerogative of the Executive Board, subject to approval by the Supervisory Board, or when the matter involves members of the Executive Board, the decision lies with the Supervisory Board alone. These organs alone shall make their decision in the best interests of the shareholders and the Company. The Chairman of the Supervisory Board will report on that at the next following Shareholders' Meeting.

Option rights may only be exercised after a waiting period of two years, and then within the following five years. Option rights which have not been exercised within this period become null and void without replacement. This ensures that only medium and long-term increases in the Company's share value will lead to option rights being exercised. This, in turn, will strengthen the commitment of senior managers to the Company.

The Executive Board is convinced that the proposed Management Incentive Program will have a positive effect on Linde AG and for its shareholders due to the motivating and binding effect it will have on senior management. It also links the shareholders' ultimate interest in seeing the value of their investment increase with the interests of the Company's management in achieving an increase in the share price.

### **Participation in the Shareholders' Meeting**

Under Article 12 of the Articles of Association shareholders are entitled to participate at the Shareholders' Meeting and to exercise their voting rights when they have deposited their shares at one of the depositories named below by May 7, 2002 at the latest, and have left the shares there until the Shareholders' Meeting has finished.

Depositories are the registered offices of Linde AG, Abraham-Lincoln-Straße 21, 65189 Wiesbaden, as well as the following commercial banks in Germany

Deutsche Bank AG  
Bayerische Hypo- und Vereinsbank AG  
Commerzbank AG  
Dresdner Bank AG.

In Switzerland, shares may be deposited with UBS AG or Credit Suisse First Boston.

The shares shall be deemed deposited when they have been blocked by a bank subject to approval by a depository until the Shareholders' Meeting has finished.

Shares can also be deposited with a notary public or a securities trading bank. Deposition must be certified by the above and must include details of the share certificate number(s) and the quantity deposited. The certificate must be received by one of the other named depositories by May 8, 2002 at the latest.

Shareholders may vote by proxy with written power of attorney at the Shareholders' Meeting, for example by a banking institute or a shareholders' association.

Shareholders or their fully documented proxies will receive admission tickets against the deposited shares.

Further queries or applications regarding the Shareholders' Meeting should be directed to

Linde AG  
Investor Relations  
Abraham-Lincoln-Straße 21  
65189 Wiesbaden  
Telefax: 0611/770-690

or by e-mail to  
[hauptversammlung@linde.de](mailto:hauptversammlung@linde.de)

The speeches held at the beginning of the Shareholders' Meeting by the Chairman of the Supervisory Board and the President and Chief Executive Officer will be broadcast directly by Internet at (<http://www.linde.de/hauptversammlung>).

Wiesbaden, March 2002

Yours sincerely

LINDE AG  
The Executive Board

The preceding executed copy, which is a true and correct copy of the original,  
is hereby submitted to

**Linde Aktiengesellschaft**  
**with registered offices in Wiesbaden**

as requested.

Munich, May 22, 2002

A handwritten signature in black ink, appearing to read 'Kreidel', written in a cursive style.

Dr. Kreidel, Notary