

## **CRANE CO.'S TAX STRATEGY**

This document sets out the tax strategy of Crane Co. (“Crane”) and its UK subsidiaries (“UK Group”) as detailed in the attached Appendix. In making this strategy available, the UK Group is fulfilling its responsibilities under paragraphs 19(2) and 22(2), Schedule 19 of the UK Finance Act 2016, for the year ending 31 December 2021.

Crane is a diversified manufacturer of highly engineered industrial products. Founded in 1855, Crane provides products and solutions to customers in the hydrocarbon processing, petrochemical, chemical, power generation, unattended payment, automated merchandising, aerospace, electronics, transportation and other markets. The UK Group has presence in three of Crane’s business segments; Fluid Handling, Payment & Merchandising Technologies and Aerospace & Electronics. The operational activities and functions of the UK companies consist of;

- Manufacturing valves, fittings and engineering products for building services applications.
- Manufacturing and supplying couplings, flange adaptors and pipe repair solutions for the international water, wastewater and gas markets.
- Distributing a complete range of hot and cold drinks machines, snack and food merchandisers as well as versatile combination models into the marketplace.
- Manufacturing branded bill validators and coin payment products.
- Distributing payment solutions including coin and bill processing, cashless systems, and asset management software.
- Distributing DC-DC converter and filter modules which are designed to serve space, defense, aerospace, and related markets.
- Holding company financing activities

### **Approach to risk management and governance arrangements in relation to UK taxation**

Tax management is centrally located in one department (“Tax Department”) at Crane’s corporate headquarters in the United States of America. The Tax Department works extensively with local finance personnel to ensure that all locations are compliant with relevant tax laws and regulations, including those in the UK. Finance personnel in the UK collaborate with the Tax Department and participate in key tax decisions related to the UK Group. The Tax Department drives the development of the tax strategy for the whole worldwide group, but the local boards of directors then ensure the adoption and implementation for their own entities.

As a U.S. publicly traded company, Crane is held to certain governance standards, including the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. As part of this, Crane operates an effective tax control framework to identify key tax risks and to manage those risks through appropriately designed and operated controls.

Crane further manages potential tax risks by: 1) employing suitably skilled professionals, 2) investing in training for the Tax Department, 3) having the Tax Department communicate regularly with UK finance teams and 4) engaging external tax advisors to provide guidance, as needed. Together, these steps help Crane ensure compliance with applicable laws, regulations, and reporting requirements.

Tax-related uncertainties are assessed quarterly by Crane, with input from the UK finance teams. Crane’s on-going approach to UK tax risk management and governance is based on the principles of reasonable

care and materiality. Crane aims to apply professional judgement by ensuring that all decisions are taken at an appropriate level and maintaining adequate supporting documentation. Crane's decisions consider a spectrum of factors, including risk. Crane's goal is to ensure that the appropriate personnel have a clear understanding of how tax risk is identified, assessed, reported and managed.

### **Attitude toward tax planning and level of risk the UK Group is prepared to accept**

The principles governing the management of Crane's UK tax strategy are fully aligned with Crane's broader commercial, reputational and business practices and are consistent with Crane's commitment to corporate responsibility.

Crane takes a prudent and pragmatic approach with its tax affairs. Crane understands the importance of tax in the wider context of business decisions and has processes in place to ensure tax is considered as part of Crane's decision-making process. As previously disclosed, Crane's tax planning opportunities are evaluated within Crane's risk control framework. Crane monitors its risk control framework including those related to tax, at least annually to ensure that they operate effectively.

In addition;

- Advice is sought from external advisors as needed on a transactional -by-transaction basis.
- Within the context of our commercial approach, we will utilise any appropriate reliefs available to us to the benefit of our business and shareholders. For example, R&D tax reliefs. In such instances we will work with our tax advisors and be transparent in our approach with HMRC.
- In respect of transfer pricing, we aim to agree prices at arm's length so that tax base is calculated in best manner for each country we are doing business.

### **Approach to dealing with HMRC**

Crane approaches its dealings with HMRC in an open, honest and transparent manner. To the best of its knowledge the UK Group complies with all relevant legal disclosure and approval requirements.

The UK Group's goal is to minimize tax risk by dealing honestly and fairly with HMRC. Crane's interactions with HMRC are characterized by: (a) engaging the services of professional tax advisers to act as agents for Crane, and in a number of cases liaise with HMRC on Crane's behalf; (b) when appropriate, seeking pre-transaction clearances from HMRC; and (c) during audits or tax inquiries, adopt a proactive approach to providing information in order to assist with the resolution of the tax issues at hand. In all aspects of tax planning, if our interpretation of the tax law is different from those of the Tax Authorities, we would work with the Tax Authorities and our tax advisors to resolve any differences.

## APPENDIX

- Crane Ltd.
- Crane Merchandising Systems, Ltd.
- Crane Process Flow Technologies, Ltd
- Crane Stockham Valve Ltd.
- Crane SC Holdings Ltd.
- CA-MC Acquisition Ltd.
- Coin Holdings Ltd.
- Coin Overseas Holdings Ltd.
- Coin Pension Trustees Ltd.
- Crane Payment Innovations Ltd.
- Crane Payment Innovations International Ltd.
- Cummins-Allison Ltd.
- Interpoint UK Ltd.
- Crane Composites Ltd.
- Money Controls Holdings Ltd.
- Coin Controls International Ltd.
- Coin Industries Ltd.
- Pegler Hattersley Limited (Dormant)
- Hattersley Newman Hender Limited (Dormant)
- Inta-Lok Ltd. (Dormant)
- Viking Johnson Limited (Dormant)
- Wask Limited (Dormant)
- Exrhodes (f/k/a B. Rhodes & Son Ltd.) (Dormant)
- Exbrownall (f/k/a Donald Brown (Brownall) Limited) (Dormant)
- NABIC Value Safety Products Limited (Dormant)
- Sperryn & Co. Ltd. (Dormant)
- Wade Couplings Ltd. (Dormant)
- Crane Pension Trustee Company (UK) (Dormant)
- Automatic Products UK (Dormant)
- Delta Fluid Products (Dormant)