McWane, Inc.'s tax policy

Introduction

McWane, Inc. (“McWane” or “we”) is a privately held company based in Birmingham, Alabama, United States. McWane manufactures and supplies water distribution and infrastructure solutions with pipes, valves, hydrants, fittings and plumbing products, fire extinguishers, fire suppression systems, and steel pressure vessels. Through its Technology segment, McWane provides wireless coverage solutions to mobile network operators, integrators and other end users in nearly every industry including commercial real estate, healthcare, hospitality, enterprise, public venues, wholesale data centers, education, and emergency services.

As supported by McWane's Code of Ethical Conduct in the Workplace, McWane is committed to act ethically, lead with integrity including complying with all applicable laws. McWane’s approach to tax is aligned therewith. McWane is committed to serving the public trust in accordance with the law in a responsible and appropriate manner and having constructive, open and honest relationships with tax authorities.

The following sections detail McWane's foundational tax principles.

Tax Policy

McWane seeks to comply with all relevant laws, rules, regulations, and reporting and disclosure requirements in every jurisdiction in which we do business as part of our overall business strategy. Although impossible to eliminate entirely, we adhere to relevant tax law, seeking to minimize tax risks associated with uncertainty and controversy. In situations in which relevant tax guidance is unclear or requires specialized knowledge, we utilize our relationship with third-party professional tax advisors to support our decision-making process.

McWane's tax policy seeks to support the commercial needs of the business in the most efficient manner while reflecting the commercial and economic realities of our activities and remaining compliant with tax laws. To this end, it is McWane’s tax policy not to engage in tax arrangements that are not arm’s length, not reflecting our conduct, or for which the sole purpose of which would be to obtain a tax advantage.

Transactions between McWane companies are performed on an arm's-length basis in accordance with principles outlined by the Organisation of Economic Co-operation and Development ("OECD") and local tax regulations.

Relationships with Governments and Taxing Authorities

McWane is committed to building and sustaining constructive relationships with governments and taxing authorities through openness and transparency. McWane is committed to interpret the relevant laws reasonably and making fair, accurate, and timely disclosures to tax authorities. McWane further commits to respond to queries and information requests from taxing authorities in a timely manner. In the course of any disputes, McWane seeks to act in a collaborative, honest, and professional manner, strives for early agreement and aims to achieve certainty.
Transparency and Tax Risk Management

We recognize our responsibility to assess, manage, and monitor our tax risks in the event of noncompliance. McWane's tax risks are assessed as part of its internal control process, in which any potential tax risks are identified, assessed, and ultimately managed:

We implement risk management measures including internal controls over compliance processes and assess their quality and effectiveness.

We regularly evaluate our processes for the management of tax risks. McWane's personnel must immediately report to the management accounting or auditing irregularities including any deficiency in our internal controls that could affect the reliability of information in our tax filings.

In making decisions regarding commercial or business activities, the following requirements would be evaluated from a tax risk management perspective:

- The legal and fiduciary duties of directors and employees;
- The requirements of internal policies and procedures, including the Code of Ethical Conduct in the Workplace;
- The impact of potential disagreements with tax authorities, including the relationships fostered with them; and
- Maintaining, supporting, and enhancing McWane's reputation, including the public trust in the jurisdictions in which we do business, through tax compliance and the importance of meeting tax obligations.

Our tax risk is further managed through investments in tax training for our tax group, management of our relationships with governments and taxing authorities, and support from third-party professional tax advisors in order to better assess tax risks and ensure compliance to applicable laws, rules, regulations and reporting and disclosure requirements. McWane has an experienced tax and finance team with clear roles and responsibilities to ensure compliance with tax and financial reporting requirements.

Senior financial officers have heightened responsibilities. They must ensure that the financial information contained in the McWane's periodic filings is complete, fair, accurate, timely and understandable.

Governance

McWane's management understands the McWane's responsibility for the compliance with the tax law and financial reporting requirements in all jurisdictions in which we do business.

McWane’s officers and the Vice President (“VP”) & Director of Corporate Tax are responsible for ensuring that the policies and procedures established by McWane’s officers and approved by the management are implemented effectively across McWane’s global operations, and VP & Director of Corporate Tax ensures that McWane's tax personnel possess the skills, experience, and training necessary.

Incentives and Reliefs

As stated previously, McWane believes that it is its responsibility to pay the amount of tax due in the jurisdictions in which it does business. To the extent that local authorities implement tax incentives, exemptions, or other relief to support development within their country, we seek to apply such incentives, exemptions, or relief in the manner intended and not used for purposes which are knowingly contradictory to the intent of the legislation.
Regulatory Information

In compliance with section 161 and section 19(2) of Schedule 19 of the Finance Act of 2016, McWane, Inc. (together with its subsidiaries, "McWane") publishes this document, approved by the McWane's management, identifying its tax strategy and approach for the year ending December 31, 2017. The tax strategy and approach described herein is applicable across the McWane group, and will be reviewed and updated periodically.