

CRANE CO /DE/
Form PRE 14A
February 27, 2017
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION**

**Proxy Statement pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant o

Check the appropriate box:

Preliminary Proxy Statement

- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

**CRANE CO.
(Name of Registrant as Specified in Its Charter)**

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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CRANE CO. 100 FIRST STAMFORD PLACE, STAMFORD CONNECTICUT 06902

March , 2017

DEAR CRANE CO. STOCKHOLDER:

Crane Co. cordially invites you to attend the Annual Meeting of Stockholders of Crane Co., at 10:00 a.m., Eastern Daylight Time, on Monday, April 24, 2017 in the First Floor Conference Room at 200 First Stamford Place, Stamford, Connecticut.

The Notice of Meeting and Proxy Statement on the following pages describe the matters to be presented at the meeting. Management will report on current operations, and there will be an opportunity for discussion of Crane Co. and its activities. Our 2016 Annual Report accompanies this Proxy Statement.

It is important that your shares be represented at the meeting, regardless of the size of your holdings. If you are unable to attend in person, we urge you to participate by voting your shares by proxy. You may do so by filling out and returning the enclosed proxy card, or by using the internet address or the toll-free telephone number on the proxy card.

Sincerely,

R.S. EVANS
Chairman of the Board

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE STOCKHOLDER MEETING TO BE HELD ON APRIL 24, 2017.**

**THIS PROXY STATEMENT AND THE 2016 ANNUAL REPORT TO STOCKHOLDERS
ARE AVAILABLE AT
WWW.CRANECO.COM/AR**

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**CRANE CO.
100 FIRST STAMFORD PLACE
STAMFORD, CONNECTICUT 06902**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
APRIL 24, 2017**

March , 2017

To the Stockholders of Crane Co.:

THE ANNUAL MEETING OF STOCKHOLDERS OF CRANE CO. will be held in the First Floor Conference Room at 200 First Stamford Place, Stamford, Connecticut on Monday, April 24, 2017 at 10:00 a.m., Eastern Daylight Time, for the following purposes:

1. To consider and vote on a proposal to approve amendments to the Company's Certificate of Incorporation to declassify the Board of Directors;
2. To elect three directors to serve for one-year terms until the Annual Meeting of Stockholders in 2018 (or, if the proposal to declassify the Board of Directors is not adopted, to serve for three-year terms until the Annual Meeting of Stockholders in 2020);
3. To consider and vote on a proposal to ratify the selection of Deloitte & Touche LLP as independent auditors for Crane Co. for 2017;
4. To consider and vote on a proposal to approve, by a non-binding advisory vote, the compensation paid by the Company to certain executive officers;
5. To consider and vote on a proposal to approve, by a non-binding advisory vote, the frequency with which the Company will ask stockholders to approve the compensation paid to certain executive officers; and
6. To conduct any other business that properly comes before the meeting, in connection with the foregoing or otherwise.

The Board of Directors has fixed the close of business on February 28, 2017 as the record date for the meeting. Stockholders at that date and time are entitled to notice of and to vote at the meeting or any postponement or adjournment of the meeting. A complete list of stockholders as of the record date will be open to the examination of any stockholder during regular business hours at the offices of Crane Co., 100 First Stamford Place, Stamford, Connecticut, for ten days before the meeting, as well as at the meeting.

In order to assure a quorum, it is important that stockholders who do not expect to attend the meeting in person fill in, sign, date and return the enclosed proxy in the accompanying envelope, or use the internet address or the toll-free telephone number on the enclosed proxy card.

By Order of the Board of Directors,

AUGUSTUS I. DUPONT
Secretary

IF YOU EXPECT TO ATTEND THE MEETING IN PERSON, PLEASE CONTACT THE CORPORATE SECRETARY, CRANE CO., 100 FIRST STAMFORD PLACE, STAMFORD, CONNECTICUT 06902, OR BY EMAIL TO ADUPONT@CRANECO.COM.

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CRANE CO.

100 FIRST STAMFORD PLACE, STAMFORD, CONNECTICUT 06902

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

APRIL 24, 2017

QUESTIONS AND ANSWERS ABOUT

THESE PROXY MATERIALS AND THE ANNUAL MEETING

Why did I receive these materials?

Crane Co. is sending this Proxy Statement and form of proxy card, together with its Annual Report, to you and all of our stockholders, to ask you to appoint proxies to represent you at the Annual Meeting of Stockholders on April 24, 2017. This Proxy Statement and enclosed form of proxy are first being sent to stockholders on or about March , 2017.

If a quorum does not attend or is not represented by proxy, the meeting will have to be adjourned and rescheduled. In order to avoid unnecessary expense, the Board of Directors of the Company is asking you to submit a proxy for your shares so that even if you do not attend the meeting, your shares will be counted as present at the meeting, and voted according to your instructions.

Unless you expect to attend the meeting in person, please sign, date and return the enclosed proxy in the envelope provided, or use the internet address or the toll-free telephone number on the proxy card. Please return your proxy promptly to ensure that your shares are voted at the meeting, no matter how large or how small your holdings may be.

What is the agenda for the Annual Meeting?

At the Annual Meeting, stockholders will vote on five matters:

- (1) a proposal to approve amendments to the Company's Certificate of Incorporation to declassify the Board of Directors,
- (2) the nomination of each of E. Thayer Bigelow, Philip R. Lochner, Jr. and Max H. Mitchell to the Board of Directors,
- (3) a proposal to ratify the selection of Deloitte & Touche LLP as our independent auditors for 2017,
- (4) a proposal to approve, by a non-binding advisory vote, the compensation paid by the Company to certain executive officers, and
- (5) a proposal to approve, by a non-binding advisory vote, the frequency with which we will ask stockholders to approve the compensation we paid to certain executive officers.

Our management will also make a brief presentation about the business of Crane Co., and representatives of Deloitte & Touche LLP will make themselves available to respond to any appropriate questions from the floor.

The Board does not know of any other business that will be presented at the Annual Meeting. The form of proxy gives the proxies discretionary authority with respect to any other matters that come before the Annual Meeting, which means that if any such matter arises, the individuals named in the proxy will vote according to their best judgment.

How does the Board of Directors recommend that I vote?

The Board unanimously recommends that you vote for the proposal to declassify the Board; for each of the nominees for director; for ratification of the selection of Deloitte & Touche LLP to continue as our independent auditors; for the non-binding advisory vote regarding executive compensation; and in favor of annual votes by stockholders on executive compensation.

Who can attend the Annual Meeting?

Any stockholder of Crane Co., any past or present employee, and other invitees may attend the Annual Meeting.

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Who can vote at the Annual Meeting?

Anyone who owned shares of our Common Stock at the close of business on February 28, 2017, the Record Date, is entitled to notice of and to vote at the Annual Meeting or any postponement or adjournment of the meeting. Each share is entitled to one vote.

A complete list of stockholders as of the Record Date will be open to the examination of any stockholder during regular business hours at the offices of Crane Co., 100 First Stamford Place, Stamford, Connecticut, for ten days before the meeting, as well as at the meeting.

How many votes are required for each question to pass?

Approval of the proposal to declassify the Board requires the affirmative vote of the holders of at least two-thirds of the voting power of the outstanding shares entitled to vote, voting together as a single class.

Nominees for the Board of Directors will be elected if more votes are cast in favor of the nominee than are cast against the nominee by the holders of shares present in person or represented by proxy and entitled to vote at the meeting.

In the vote on the frequency with which we will ask stockholders to approve the compensation paid to certain shareholders, the alternative which receives the largest number of votes, even if not a majority, will be considered to be the recommendation of the stockholders.

Each other matter to be voted upon at the meeting requires the affirmative vote of a majority of the votes cast by the holders of shares of common stock present in person or represented by proxy and entitled to vote at the meeting.

What are Broker non-votes ?

Under the rules of the New York Stock Exchange, brokers holding shares for customers have authority to vote on certain matters even if the broker has not received instructions from the customer, but they do not have such authority as to other matters. For the questions on the agenda for this year's Annual Meeting, member firms of the New York Stock Exchange may vote without specific instructions from beneficial owners on the ratification of the selection of auditors, but not on the proposal to declassify the Board, the election of directors, the approval of the compensation paid by the Company to certain executive officers or the approval of the frequency of votes on executive compensation.

Broker non-votes are shares held in record name by brokers or nominees, as to which the broker or nominee (i) has not received instructions from the beneficial owner or person entitled to vote, (ii) does not have discretionary voting power under New York Stock Exchange rules or the document under which it serves as broker or nominee, and (iii) has indicated on the proxy card, or otherwise notified us, that it does not have authority to vote the shares on the question.

What will be the effect of abstentions and broker non-votes?

Stockholders may abstain from voting on any proposal expected to be brought before the meeting.

Abstentions and broker non-votes will be equivalent to a vote against the proposal to declassify the Board.

Abstentions and broker non-votes will have no effect on the election of directors, as each nominee will be elected if the number of votes cast in favor of such nominee exceeds the number of votes cast against such nominee.

Abstentions are not treated as votes cast.

Abstentions and broker non-votes will have no effect on any of the other proposals, because they will not count as votes cast for or against the question and will not be included in calculating the number of votes necessary for approval.

What constitutes a quorum for the meeting?

According to the By-laws of Crane Co., a quorum for a meeting of stockholders consists of the holders of a majority of the shares of common stock issued and outstanding and entitled to vote, present in person or by proxy. On the Record Date there were xx,xxx,xxx shares of common stock issued and outstanding, so at least xx,xxx,xxx shares must be represented at the meeting for business to be conducted. If a quorum does not attend or is not represented, the Annual Meeting will have to be postponed.

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Shares of common stock represented by a properly signed and returned proxy are treated as present at the Annual Meeting for purposes of determining a quorum, whether the proxy is marked as casting a vote or abstaining. Shares represented by broker non-votes are also treated as present for purposes of determining a quorum.

Who will count the votes?

A representative of our transfer agent, Computershare Trust Company, N.A., will tabulate the votes.

How can I cast my vote?

You can vote by completing and mailing the enclosed proxy. We ask you to mark your choices, sign, date and return the proxy as soon as possible in the enclosed postage prepaid envelope.

All stockholders of record, and many street name holders, can also give voting instructions at the website www.investorvote.com/cr using the instructions on the enclosed proxy card, or by touchtone telephone from the United States and Canada using the toll-free number listed on the proxy card, proving their identity by using the Personal Identification Number shown on the card. Both procedures allow stockholders to appoint the designated proxies to vote their shares and to confirm that their instructions have been properly recorded.

You can attend the Annual Meeting and vote your shares in person; if you do, you should bring the enclosed proxy card with you as proof of the number of shares you owned on the Record Date.

What if I submit a proxy but don't mark it to show my preferences?

If you return a properly signed proxy without marking it, it will be voted in accordance with the Board's recommendations on all proposals.

What if I submit a proxy and then change my mind?

If you submit a proxy, you can revoke it at any time before it is voted by submitting a written revocation to the Corporate Secretary, or by submitting a new proxy, or by voting in person at the Annual Meeting. However, if you have shares held through a brokerage firm, bank or other custodian, you can revoke an earlier proxy only by following the custodian's procedures.

Who is paying for this solicitation of proxies?

Crane Co. will pay the cost of this solicitation of proxies for the Annual Meeting. In addition to soliciting proxies through the mail using this Proxy Statement, we may solicit proxies by telephone, facsimile, electronic mail and personal contact. These solicitations will be made by our regular employees without additional compensation. We have also engaged The Proxy Advisory Group, LLC to assist in this solicitation of proxies, and we have agreed to pay that firm \$17,000, plus disbursements. Banks, brokerage houses and other institutions, nominees and fiduciaries will be asked to forward the proxy materials to the beneficial owners of the common stock they hold of record, and will be reimbursed for their reasonable expenses in forwarding such material.

Where can I learn the outcome of the vote?

The Corporate Secretary will announce the preliminary voting results at the meeting, and we will publish the final results in a Current Report on Form 8-K filed with the Securities and Exchange Commission within four business days after the meeting.

How and when can I propose that an item be considered at next year's Annual Meeting and included in next year's proxy statement?

Appropriate proposals of security holders intended to be presented at the 2018 Annual Meeting must be received for inclusion in the proxy statement and form of proxy relating to that meeting on or before November 1, 2017. In addition, under the By-laws, if security holders intend to nominate directors or present proposals at the 2018 Annual Meeting other than through inclusion of such proposals in the proxy materials for that meeting, then Crane Co. must receive notice of such nominations or proposals no earlier than December 25, 2017 and no later than January 24, 2018. If we do not receive notice by that date, then such proposals may not be presented at the 2018 Annual Meeting.

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ITEM 1: AMENDMENTS TO THE CERTIFICATE OF INCORPORATION TO DECLASSIFY THE BOARD OF DIRECTORS

Upon the recommendation of the Nominating and Governance Committee, the Board of Directors adopted, subject to stockholder approval, amendments to Article V, Sections 2, 3 and 4 of the Company's Certificate of Incorporation to effectuate the declassification of the Board of Directors, effective as of the Annual Meeting (the Declassification Amendments).

Description of the Proposed Declassification Amendments

Currently, the Certificate of Incorporation provides that the Board be divided into three classes with the number of directors in each class being as nearly equal as reasonably possible. Accordingly, approximately one-third of the directors are elected annually, each serving a three-year term.

The proposed Declassification Amendments provide that each director elected at each annual meeting of stockholders, beginning with the 2017 Annual Meeting, shall serve a one-year term expiring at the following annual meeting of stockholders and until his or her respective successor is duly elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal. The proposed Declassification Amendments will not impact the terms of the current directors whose terms do not expire at the Annual Meeting. They will continue to serve the remainder of the three-year terms for which they were elected, which will expire at the annual meeting in 2018 or 2019, as applicable.

Accordingly, if the proposed Declassification Amendments are approved by stockholders, the directors whose terms expire at the Annual Meeting would be elected for a one-year term expiring at the 2018 annual meeting of stockholders. The directors who were elected at the 2015 annual meeting of stockholders, whose terms will expire in 2018, and the directors who were elected at the 2016 annual meeting of stockholders, whose terms will expire in 2019, will hold office until the end of their current terms and thereafter would be eligible for reelection for one-year terms. At and after the 2019 annual meeting of stockholders, the Board of Directors would be fully declassified, with each director to be elected annually, serving one-year terms. In all cases, each director will hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation, retirement, disqualification or removal.

Under Delaware law, directors of companies that have a classified board of directors may be removed only for cause, unless the certificate of incorporation provides otherwise. Delaware law provides that directors of companies that do not have a classified board may be removed with or without cause. Accordingly, if the proposed Declassification Amendments are approved, any director elected at or after the Annual Meeting may be removed from office at any time, with or without cause, by the affirmative vote of the holders of a majority of the shares then entitled to vote at an election of directors, voting together as a single class. The current directors whose terms do not expire at the Annual Meeting may only be removed with cause in accordance with the existing terms of the Certificate of Incorporation which requires the affirmative vote of the holders of at least two-thirds of the voting power of the shares then entitled to vote at an election of directors, voting together as a single class.

Considerations and Reasons for the Proposed Declassification Amendments

In determining whether to submit to stockholders a Board Declassification Proposal, the Board considered arguments in favor of and against continuation of a classified board structure and determined that declassification of the Board, through approval of the Declassification Amendments, would be in the best interests of the Company and its stockholders.

Specifically, the Board recognizes that corporate governance standards have continued to evolve, resulting in a majority of S&P 400 companies having implemented annual director elections. Furthermore, a classified structure may appear to reduce director accountability to stockholders, since such structure does not enable stockholders to express a view on each director's performance by means of an annual vote. Many institutional investors and commentators now believe that the election of directors is the primary means for stockholders to influence corporate governance policies and to hold the board and management accountable for implementing those policies. For example, a number of pension funds have been submitting proposals to companies requesting that they take action to declassify their boards.

The Board is aware that certain stockholders may view that there are disadvantages to the Declassification Amendments. For example, a classified board structure can provide flexibility for increased board continuity and

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stability and may encourage directors to focus on the long term productivity of a company. Additionally, classified boards may provide additional protections against unwanted, and potentially unfair and abusive, takeover attempts and proxy contests, as they make it more difficult for a substantial stockholder to gain control of a board of directors without the cooperation or approval of incumbent directors.

After considering the advantages and disadvantages, the Board believes that, on balance, the Declassification Amendments are in the best interests of the Company and its stockholders.

Text of the Proposed Amendments to the Certificate of Incorporation

The general description of the proposed Declassification Amendments set forth above is qualified in its entirety by reference to the complete text of the Declassification Amendments, which are marked to show the proposed changes, attached hereto as Appendix A to this proxy statement. If approved by stockholders, the Declassification Amendments will be effective upon the filing of an appropriate certificate with the Secretary of State of the State of Delaware. The Company intends to file with the Secretary of State of the State of Delaware, as promptly as reasonably practicable following the Annual Meeting, an amended and restated certificate of incorporation (the First Amended and Restated Certificate of Incorporation), which consolidates and integrates the Declassification Amendments, together with all prior amendments on file with the Secretary of State of the State of Delaware, and deletes any provisions that are no longer applicable.

Conditional By-law Amendments

In connection with its approval in February 2017 of resolutions to amend the Certificate of Incorporation to declassify the Board, the Board of Directors also approved amendments to Article III, Sections 2, 3 and 4 of the Company's By-laws to conform to the changes that would be made to the Certificate of Incorporation by the Declassification Amendments, if adopted by the stockholders. These amendments to the By-laws become effective following approval by the stockholders of Declassification Amendments and upon the effectiveness of the First Amended and Restated Certificate of Incorporation following filing with the Secretary of State of the State of Delaware. If stockholders do not approve the Declassification Amendments, the By-law amendments will not go into effect.

Required Vote

In accordance with the Certificate of Incorporation, adoption of this proposal requires the affirmative vote of the holders of at least two-thirds of the voting power of the outstanding shares entitled to vote, voting together as a single class. Under Delaware law, in determining whether such proposal has received the requisite number of affirmative votes, abstentions and broker non-votes will not be counted as votes cast and will have the same effect as a vote against the proposal.

The Board of Directors recommends that you vote FOR approval of the proposal to declassify the Board of Directors.

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ITEM 2: ELECTION OF DIRECTORS

The Board of Directors currently consists of 11 members divided into three classes with staggered terms. At the Annual Meeting, three directors have been nominated for election. The Company is proposing amendments to the Company's Certificate of Incorporation to declassify the Board of Directors and provide for the annual election of directors. See Item 1—Amendments to the Certificate of Incorporation to Declassify the Board of Directors. If the proposal to declassify the Board is approved, the term of office of each director elected at the Annual Meeting will expire at the 2018 annual meeting of stockholders; however, if the proposal to declassify the Board is not approved, the term of office of each director elected at the Annual Meeting will expire at the 2020 annual meeting of stockholders, and in either case, until a successor is duly elected and qualified.

The terms of E. Thayer Bigelow, Philip R. Lochner, Jr. and Max H. Mitchell will expire at the time of the Annual Meeting, and the Board of Directors has nominated each of them for reelection by the stockholders.

The remaining directors who are not standing for election at the Annual Meeting will continue to serve for the remainder of the terms for which they were elected, which will expire at the 2018 or 2019 annual meeting of stockholders, as applicable, and until their successors are duly elected and qualified.

The Board believes that a company's directors should possess and demonstrate, individually and as a group, an effective and diverse combination of skills and experience to guide the management and direction of the Company's business and affairs. The Board has charged the Nominating and Governance Committee with responsibility for evaluating the mix of skills and experience of the Company's directors and director nominees, as well as leading the evaluation process for the Board and its committees. In conducting its annual review of director skills and Board composition, the Nominating and Governance Committee determined and reported to the Board its judgment that the Board as a whole demonstrates a diversity of organizational experience, professional experience, education and other background, viewpoint, skills and other personal qualities and attributes that enables the Board to perform its duties in a highly effective manner. The Nominating and Governance Committee also considers the Board's overall diversity of experience, education, background, skills and attributes when identifying and evaluating potential director nominees.

The Nominating and Governance Committee has proposed, and the Board of Directors recommends, that each of the three nominees be elected to the Board. If, before the meeting, any nominee becomes unavailable for election as a director, the persons named in the enclosed form of proxy will vote for whichever nominee, if any, the Board of Directors recommends to fill the vacancy, or the Board of Directors may reduce the number of directors to eliminate the vacancy.

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Nominees and Continuing Directors

Shown below for each of the nominees for election and for each of those directors whose terms will continue are the individual s:

- Age as of February 28, 2017, the record date for the Annual Meeting,
- Period of service as a Crane Co. director,
- Position with Crane Co., if any, and business experience during at least the past five years,
- Directorships in other public companies during at least the past five years, and
- Areas of experience and qualifications that led the Nominating and Governance Committee and the Board to the conclusion that the individual should serve, or continue to serve, as a director of Crane Co.

Holdings of Crane Co. stock as of January 31, 2017 are also shown, determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, which includes shares subject to stock options exercisable within 60 days and deferred stock units and restricted share units that will vest within 60 days.

No director beneficially owns more than 1% of the outstanding shares of common stock. For more information on shareholdings of directors and officers, please see Beneficial Ownership of Common Stock by Directors and Management, on page 47.

**Common Shares
Beneficially
Owned**

Nominees to be Elected for Terms to Expire in 2018 (or 2020, if shareholders do not approve the proposal to declassify the Board)

E. THAYER BIGELOW

48,764

Age 75; Director since 1984. Managing Director, Bigelow Media, New York, NY (advisor to media and entertainment companies) since 2000 and Senior Advisor, Time Warner Inc., New York, NY (media and entertainment) from 1998 to 2003. Prior finance positions of increasing responsibility at Time Inc. include VP—Treasurer and Chief Financial Officer, and executive leadership positions include Chief Operating Officer of Home Box Office, Inc., and President & Chief Executive Officer of Time Warner Cable Programming, Inc.

Other directorships: Huttig Building Products, Inc. from 1999 to 2015; Lord Abbett & Co. Mutual Funds since 1994 (Lead independent director, and Chairman 2013–2016) (Lord Abbett family of 42 mutual funds); Expo TV, Inc. since 2010.

Relevant skills and experience: operational and financial expertise gained by extensive experience as Chief Financial Officer, Chief Operating Officer, and Chief Executive Officer and senior advisor to media and entertainment companies; expertise in management and governance matters gained as a director of public companies.

PHILIP R. LOCHNER, JR.

23,801

Age 73; Director since 2006. Director of public companies. Senior Vice President and Chief Administrative Officer, Time Warner, Inc., New York, NY (media and entertainment) from 1991 to 1998, and Vice President, General Counsel and Secretary of Time Inc. prior to that. Mr. Lochner served as a Commissioner of the Securities and Exchange Commission from 1990 to 1991.

Other directorships: Clarcor Inc. since 1999; CMS Energy Corporation since 2005; Gentiva Health Services, Inc. from 2009 to 2015.

Relevant skills and experience: More than four decades of legal, regulatory, administrative and corporate governance experience gained as senior executive of various public companies (including certain responsibility for internal audit, shareholder relations, legal, public affairs, compensation and benefits, governance, real estate and other administrative matters); expertise in securities and disclosure matters gained as a Commissioner of the Securities and Exchange Commission; significant expertise in management and corporate governance matters gained as a director of public companies.

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	Common Shares Beneficially Owned
<p>MAX H. MITCHELL</p> <p>Age 53; Director since 2014. President and Chief Executive Officer of the Company since January 2014; President and Chief Operating Officer from January 2013 to January 2014; Executive Vice President and Chief Operating Officer from May 2011 to January 2013; Group President, Fluid Handling segment of the Company from 2005 to October 2012.</p> <p>Other directorships: Lennox International, Inc. since 2016.</p> <p>Relevant skills and experience: comprehensive knowledge of the Company's culture and operations gained from successive positions as President of its Fluid Handling Group, its President and Chief Operating Officer and since January 2014 Chief Executive Officer.</p>	404,918
 Directors Whose Terms Expire in 2018	
<p>MARTIN R. BENANTE</p> <p>Age 64; Director since 2015. Chairman of the Board, and Chief Executive Officer from 2000 to December 2013, of Curtiss-Wright Corporation, Charlotte, NC (supplier of highly engineered products and services to commercial, industrial, defense and energy markets) from 2000 to December 2013. Continued as Chairman of the Board to December 2014.</p> <p>Other directorships: Curtiss-Wright Corporation from 1999 to 2015.</p> <p>Relevant skills and experience: strategic, operational and managerial expertise gained through a more than 35-year career with a leading industrial manufacturer of highly engineered products in critical service applications, serving markets similar to those of the Company.</p>	4,030
<p>DONALD G. COOK</p> <p>Age 70; Director since 2005. General, United States Air Force (Retired).</p> <p>Other directorships: Burlington Northern Santa Fe Corporation from 2005 to 2010; Beechcraft LLC (formerly Hawker Beechcraft Inc.) from 2007 to 2014; USAA Federal Savings Bank since 2007; U.S. Security Associates, Inc. since 2011.</p> <p>Relevant skills and experience: A highly decorated (retired) United States Air Force Four Star General whose commands included Air Education and Training at Randolph Air Force Base, a Flight Training Wing and two Space Wings, and service as a Legislative Liaison in the United States Senate Liaison Office, General Cook brings significant experience with organizational and intellectual capital matters, leadership and strategy.</p>	19,829
<p>R. S. EVANS</p> <p>Age 72; Director since 1979. Non-executive Chairman of the Board of Crane Co. since 2001. Chairman and Chief Executive Officer of Crane Co. from 1984 to 2001, Chairman and Chief Executive Officer of Medusa Corporation 1988–1999.</p> <p>Other directorships: HBD Industries, Inc. since 1989; Huttig Building Products, Inc. from 1999 to 2015.</p> <p>Relevant skills and experience: unique familiarity with the operations, history and culture of the Company gained as its former Chief Executive Officer and as its Chairman of the Board</p>	465,650

of Directors, and expertise in corporate finance, acquisitions, and operations and management in a sophisticated manufacturing company.

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	Common Shares Beneficially Owned
<p>RONALD C. LINDSAY</p> <p>Age 58; Director since 2013. Retired Chief Operating Officer, Eastman Chemical Company, Kingsport, TN (manufacturer of specialty chemicals, plastic compounds and acetate fibers). Chief Operating Officer from 2013 to 2016, and Executive Vice President, Specialty Fluids and Intermediates, Fibers, Adhesives and Plasticizers Worldwide Engineering, Construction and Manufacturing Support, Eastman Chemical Company from May 2011 to 2013. Positions of increasing responsibility with Eastman Chemical from 1980, including Senior Vice President from 2006 to 2009 and Executive Vice President from 2009 to 2013.</p> <p>Other directorships: none.</p> <p>Relevant skills and experience: corporate strategy, operational, sales and manufacturing expertise gained by extensive senior executive experience with Eastern Chemical Company, a leading chemical manufacturer served by the Company's Fluid Handling Group.</p>	10,656
Directors Whose Terms Expire in 2019	
<p>ELLEN MCCLAIN</p> <p>Age 52; Director since 2013. Chief Financial Officer, Year Up, Boston, MA (not-for-profit provider of job training services) since July 2015. Senior management and financial positions with New York Racing Association, Inc., Ozone Park, NY (operator of thoroughbred racetracks), including President from May 2012 to April 2013. Vice President, Finance, Hearst-Argyle Television, Inc., New York, NY (operator of local television stations) from 2004 to 2009.</p> <p>Other directorships: none.</p> <p>Relevant skills and experience: financial, operational and organizational expertise gained as Chief Financial Officer, Chief Operating Officer and President of public and private enterprises.</p>	7,448
<p>JENNIFER M. POLLINO</p> <p>Age 52; Director since 2013. Executive Coach and Consultant, JMPollino LLC, Charlotte, NC since July 2012. Executive Vice President, Human Resources and Communications, Goodrich Corporation, Charlotte, NC (diversified manufacturer) from 2005 to July 2012. Prior positions at Goodrich included President and General Manager of Goodrich Aerospace's Aircraft Wheels & Brakes Division and of its Turbomachinery Products Division, and Vice President and General Manager of Goodrich Aerospace, Aircraft Seating Products.</p> <p>Other directorships: Wesco Aircraft Holdings, Inc. since 2014; Kaman Corporation since June 2015.</p> <p>Relevant skills and experience: broad experience as an aerospace industry senior executive with responsibility for corporate governance, intellectual capital and organizational issues, as well as financial expertise, gained in over 20 years as senior executive and general manager with a leading aerospace products company; financial expertise gained as controller of savings and loan association and field accounting officer at Resolution Trust Corporation; certified public accountant.</p>	7,448

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	Common Shares Beneficially Owned
<p>PETER O. SCANNELL</p> <p>Age 58; Director since 2015. Founder and Managing General Partner of Rockwood Holdings LP, a private investment firm focused on the acquisition and development of operating businesses; and Chief Executive Officer, Rockwood Service Corporation, Greenwich, CT (holding company for testing and testing technology businesses) since 1990.</p> <p>Other directorships: Kane Holding Company since 1988; Genesee & Wyoming, 2002-2011.</p> <p>Relevant skills and experience: corporate strategy, finance, and domestic and international acquisition expertise gained as investor in operating companies, and Chief Executive Officer of privately owned provider of industrial services.</p>	<p>4,758</p>
<p>JAMES L. L. TULLIS</p> <p>Age 69; Director since 1998. Chairman, Chief Executive Officer and Managing Principal, Tullis Health Investors, Inc., Greenwich, CT since 1986, and Tullis Health Investors FL, LLC, North Palm Beach, FL since 2012 (venture capital investments in the health care industry).</p> <p>Other directorships: Lord Abbett & Co. Mutual Funds since 2006, and Chairman beginning in 2017 (Lord Abbett family of mutual funds).</p> <p>Relevant skills and experience: financial and organizational expertise gained as Chief Executive Officer of venture capital investment group; expertise in management, strategy and governance matters gained as director of public and private companies.</p>	<p>26,189</p>

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The Board of Directors proposes and recommends that the stockholders ratify the Audit Committee's selection of the firm of Deloitte & Touche LLP as independent auditors for Crane Co. for 2017. Deloitte & Touche LLP has been Crane Co.'s independent auditor since 1979. Although ratification of this selection is not required by law, the Board of Directors believes it is desirable as a matter of corporate governance. If the stockholders do not ratify the selection of Deloitte & Touche LLP, the Audit Committee will reconsider the appointment of Deloitte & Touche LLP as Crane Co.'s independent auditor. We expect that representatives of Deloitte & Touche LLP will attend the Annual Meeting, where they will have an opportunity to make a statement if they wish to do so and to respond to appropriate questions.

Unless otherwise directed by the stockholders, proxies that are properly executed and returned will be voted for approval of the ratification of Deloitte & Touche LLP to audit our consolidated financial statements for 2017.

Principal Accounting Firm Fees

Set forth below is a summary of the fees paid for the years ended December 31, 2016 and 2015 to Crane Co.'s principal accounting firm, Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates:

	2016	2015
	(in thousands)	
Audit fees (a)	\$ 6,869	\$ 4,996
Audit-related fees (b)	\$ 279	\$ 215
Tax fees (c)	\$ 552	\$ 726
All other fees (d)	\$ 2	\$ 2
Total	\$ 7,702	\$ 5,939

(a) Audit services consisted of: (i) audit of Crane Co.'s annual financial statements; (ii) reviews of Crane Co.'s quarterly financial statements; (iii) Sarbanes-Oxley Act, Section 404 attestation matters; and (iv) statutory and regulatory audits, comfort letters, consents and other services related to Securities and Exchange Commission matters.

(b) Audit-related services consisted of: (i) benefit plan audits; (ii) agreed-upon procedures reports; and (iii) financial accounting and reporting consultations.

(c) Fees for tax compliance services totaled \$429 and \$422 in 2016 and 2015, respectively. Tax compliance services are services rendered based upon facts already in existence or transactions that have already occurred to document, compute, and obtain government approval for amounts to be included in tax filings. Fees for tax planning and advice services totaled \$122 and \$244 in 2016 and 2015, respectively.

(d) Fees for all other services billed consisted of fees for software licenses, and services related to inventory review procedures.

	2016	2015
Ratio of tax planning and advice fees and all other fees to audit fees, audit-related fees and tax compliance fees	1.6 %	4.3 %
Percentage of non-audit services approved by the Audit Committee	100 %	100 %

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Report of Audit Committee

In accordance with its written charter adopted by the Board of Directors, the Audit Committee (the Committee) assists the Board of Directors in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of Crane Co. All of the members of the Committee qualify as independent under the provisions of Section 10A of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder.

The members of the Committee are not professionally engaged in the practice of auditing or accounting and are not, and do not represent themselves to be, performing the functions of auditors or accountants. Members of the Committee rely without independent verification on the information provided to them and on the representations made by management and the independent auditors. Accordingly, the Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Committee's considerations and discussions referred to below do not assure that the audit of Crane Co.'s financial statements has been carried out in accordance with the standards of the Public Company Accounting Oversight Board (United States), that the financial statements are presented in accordance with generally accepted accounting principles, or that Crane Co.'s auditors are in fact independent.

In discharging its oversight responsibility as to the audit process, the Committee:

- received the written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the Committee concerning independence;
- discussed with the independent auditors their independence, and any activities that may impact their objectivity and independence, including fees for non-audit services, and satisfied itself as to the auditors' independence;
- received a report on the quality control procedures of the independent auditors;
- discussed with management, the internal auditors and the independent auditors the quality and adequacy of Crane Co.'s internal controls, with particular focus on compliance with Section 404 of the Sarbanes-Oxley Act of 2002, as well as the internal audit function's organization, responsibilities, budget and staffing;
- reviewed with the independent auditors and the internal auditors their audit plan and audit scope;
- reviewed with management the risk assessment and risk management procedures of Crane Co., as well as the procedures and findings of Crane Co.'s compliance program;
- discussed the results of the internal audit examinations;
- discussed with the independent auditors the matters required to be discussed under auditing standards, rules and statements promulgated by the Public Company Accounting Oversight Board, including Auditing Standard No. 1301, Communications with Audit Committees; and
- discussed and reviewed, both with and without members of management present, the independent auditors' examination of the financial statements.

The Committee reviewed the audited financial statements of Crane Co. as of and for the year ended December 31, 2016, with management and the independent auditors. Management is responsible for the preparation, presentation and integrity of Crane Co.'s financial statements, Crane Co.'s internal controls and financial reporting process and the procedures designed to assure compliance with accounting standards and applicable laws and regulations. Crane Co.'s independent auditors are responsible for performing an independent audit of Crane Co.'s financial statements and expressing an opinion as to their conformity with generally accepted accounting principles.

Based on the above-mentioned review and discussions with the independent auditors, the Committee recommended to the Board of Directors that Crane Co.'s audited financial statements be included in its Annual Report on Form 10-K for

the year ended December 31, 2016, for filing with the Securities and Exchange Commission.

The Committee approved a policy regarding services by Crane Co.'s independent auditors, effective January 1, 2003. Under this policy, the independent auditors are prohibited from performing certain services in accordance with Section 202 of the Sarbanes-Oxley Act of 2002. With respect to non-prohibited services to be provided by the

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independent auditors, the policy requires that a budget for such services be prepared by management and approved by the Committee at the beginning of each fiscal year, and any expenditure outside of the budget must also be approved by the Committee in advance. Pursuant to this policy, the Committee reviewed and approved the budget for the audit and other services to be provided by Deloitte & Touche LLP in 2017. The Committee also approved the reappointment of Deloitte & Touche LLP to serve as independent auditors; the Board of Directors concurred in such appointment and directed that this action be presented to stockholders for ratification.

Submitted by:

The Audit Committee of the
Board of Directors of Crane Co.

E. Thayer Bigelow, Chair
Martin R. Benante
Philip R. Lochner, Jr.
Ellen McClain
Jennifer M. Pollino

Incorporation by Reference. The Audit Committee Report in this Proxy Statement shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, and shall not be deemed filed under those Acts, except to the extent that Crane Co. specifically incorporates any such matter in a filed document by reference.

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ITEM 4: ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

Based on the recommendation of stockholders at the Company's 2011 Annual Meeting of Stockholders, and the Board's consideration of that recommendation, the Company has determined that it will hold a non-binding advisory vote to approve the compensation paid by the Company to its named executive officers every year, until the next required stockholder vote to recommend the frequency of such votes. Accordingly, we are asking stockholders to express their opinion of the compensation of the named executive officers in 2016, as described in the pages that follow in this Proxy Statement.

The Company is required to hold such frequency votes at least every six years, and the next such vote will take place at this year's Annual Meeting. See Item 5: Advisory Vote on Frequency of Future Advisory Votes on Compensation of Named Executive Officers below.

We believe that the compensation of our executive officers should be:

- (1) closely linked to the performance of the Company as a whole, the executive's business unit and the individual executive;
- (2) aligned with the Company's annual operating plan and long-term strategic plans and objectives;
- (3) attractive in the markets in which we compete for executive talent; and
- (4) structured so as to reward actions in accordance with the Company's values and standards and to discourage the taking of inappropriate risks, and thereby to uphold Crane Co.'s high standards of corporate governance.

The Compensation Discussion and Analysis beginning on page 16 explains in detail the elements of the Company's executive compensation program and the steps taken by the Company to ensure that the program, as implemented in 2016, was aligned with these core principles. Balancing annual and long-term compensation elements, the program directly links incentive compensation for executives with increases in stockholder value, principally by means of annual cash bonuses based on achievement of performance goals set by the Committee at the beginning of the year, performance-based restricted share units which vest in accordance with the Company's total stockholder return relative to the S&P Mid-Cap 400 Capital Goods Group over a three-year period, stock options, and time-based restricted share units that vest over a four-year period. The Company believes that this system, as put into practice under the supervision of the Management Organization and Compensation Committee, is instrumental in enabling the Company to achieve superior financial performance and investor returns.

The Board strongly endorses the Company's actions in this regard, and recommends that stockholders vote for the following resolution:

RESOLVED, that the compensation of the named executive officers as disclosed in the Proxy Statement is approved.

Unless otherwise directed by the stockholders, proxies that are properly executed and returned will be voted **for** the resolution.

Vote Required

Approval of the above resolution requires the affirmative vote of a majority of the votes cast on this question at the Annual Meeting of Stockholders by holders of shares of common stock present in person or represented by proxy and entitled to vote at the meeting. (See Questions and Answers, page 1) In accordance with the Dodd-Frank Wall Street

Reform and Consumer Protection Act (the Dodd-Frank Act) and the related Securities and Exchange Commission rules, the resolution is non-binding and advisory; however, the Board will give due consideration to the opinion of the Company's stockholders as expressed by their votes.

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ITEM 5: ADVISORY VOTE ON FREQUENCY OF FUTURE ADVISORY VOTES ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

In accordance with the Dodd-Frank Act and the related SEC rules, the Board is asking stockholders to express their opinion as to how frequently the advisory vote on compensation should be solicited: every year, every second year, or every third year.

An annual vote is consistent with the approach preferred by stockholders in 2011, which the Board believes has served the Company well during the past six years. The Board believes that an annual advisory vote on executive compensation, providing the Board with timely information on stockholders' views of Crane Co.'s compensation practices each year, is the best approach for the Company. Accordingly, the Board recommends that stockholders vote in favor of holding the advisory vote on compensation annually. Unless otherwise directed by the stockholders, proxies that are properly executed and returned will be voted for annual advisory votes on compensation.

Vote Required

The alternative which receives the largest number of votes, even if not a majority, will be considered the preference of the Company's stockholders. (See Questions and Answers, page_1) In accordance with the Dodd-Frank Act and the related SEC rules, the resolution is non-binding and advisory; however, the Board will give due consideration to the opinion of the Company's stockholders as expressed by their votes.

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