

Policy Name: Business Ethics		Policy Number: 506
Issued By: Board of Directors and Audit Committee	Approving Authority: Board of Directors	Date Last Reviewed: November 3, 2016

PURPOSE:

The Core Values of W. R. Grace & Co. and its subsidiaries (collectively, "Grace" or the "Company") include an unwavering commitment to Integrity and Ethics. This Core Value must guide the conduct of all Grace directors, officers, employees, and representatives in their business dealings and relationships among each other. This Policy reaffirms Grace's commitment to comply with all applicable laws and be governed by the highest level of business ethics.

While this Policy describes general principles of legal and ethical conduct, it does not address every legal or ethical issue that a Grace director, officer, employee, or representative may face. Each person must exercise good judgment to act within the spirit, as well as the letter, of this Policy, and should seek guidance from others where necessary to follow an appropriate course of conduct.

STATEMENT OF POLICY:

Each director, officer, employee and other representative of Grace shall act in accordance with the highest level of business ethics and in accordance with applicable law. Each director, officer, employee and other representative of Grace has a duty to report suspected wrongdoing or unethical behavior or any violation of law by Grace. Grace will not tolerate any retaliation or threats of retaliation against anyone who reports in good faith a violation or suspected violation of this Policy, or any other Grace policy covered by the principles set forth in this Policy or applicable law.

PROCEDURES AND IMPLEMENTATION:

The following are examples of the principles that, each director, officer, employee and other representative is expected to follow:

- (a) All contracts and agreements to which Grace is a party are carried out and performed in accordance with the spirit as well as the letter of their terms and conditions, and all customers and suppliers are treated in a fair manner;
- (b) All products and services are delivered as agreed, and deficiencies or omissions, if any, are corrected promptly to the parties' mutual satisfaction;
- (c) Every effort is made to avoid potential or actual conflicts between the interests of Grace and the personal interests of any of Grace's directors, officers, employees and other representatives; and any conflicts or potential conflicts of interest are



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fully and promptly disclosed to the appropriate Grace supervisors and Grace's General Counsel (see Policy No. 507 "Conflicts of Interest");

- (d) All financial and other disclosures submitted to the Securities and Exchange Commission or any other governmental authority, provide full, fair, accurate, timely and understandable information;
- (e) All of Grace's books, records, accounts and financial statements are maintained in reasonable detail, appropriately reflect Grace's transactions and conform both to applicable legal requirements and to Grace's systems of internal controls;
- (f) All assets and proprietary information of Grace (including information of third parties provided to Grace under confidentiality arrangements) are properly accounted for and safeguarded;
- (g) Grace fully complies with antitrust and fair competition laws and does not conspire to fix prices or otherwise restrain trade;
- (h) Grace complies with applicable law regarding campaign or political contributions and all such contributions made on Grace's behalf are coordinated through the Vice President, Government Relations and EHS, in compliance with Policy 510;
- (i) Grace does not make any bribes or other improper, disguised or questionable payments of any kind, or prepare any business records or financial reports which include or reflect false or misleading information;
- (j) Grace is committed to preserving and protecting the environment in all its business activities worldwide;
- (k) Grace's business dealings with government agencies comply with applicable laws and published policies of such government agencies, including those dealing with entertainment, gifts or other business courtesies;
- (l) Grace complies with all applicable national and multinational export control laws and does not cooperate with international boycotts unless sanctioned by applicable law;
- (m) Grace maintains safe working conditions and practices for all its employees and representatives;
- (n) Grace fosters a culture where all people are treated with respect, and where incidences of harassment, threats, insults, unlawful discrimination and other unprofessional conduct are not tolerated;

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- (o) No one retaliates or threatens retaliation against anyone who reports in good faith a violation or suspected violation of this Policy or any other Grace policy covered by the principles set forth in this Policy or applicable law;
- (p) No director, officer, employee or representative of Grace discloses nonpublic information regarding Grace without management's authorization or uses such information for personal gain; and
- (q) No material, non-public information of Grace, or of any supplier, customer or other third party, is used for trading in Grace securities or the securities of any such supplier, customer or other third party.

REPORTING PROCEDURES:

Any director, officer, employee or other representative of Grace who discovers any matter which is or appears to be in violation of this Policy or any other Grace policy covered by the principles set forth in this Policy or applicable law shall report the matter immediately by contacting either of the following persons:

1. Mark A. Shelnitz, Chief Ethics Officer and General Counsel
Phone: 410-531-4212
e-mail: mark.shelnitz@grace.com; or
2. John P. Forgach, Assistant General Counsel, Employment and Benefits
Phone: 410-531-4236
e-mail: john.forgach@grace.com.

If for any reason an individual does not believe contacting these persons is appropriate, he or she may report the matter by calling the Grace Ethics Hotline that is available toll-free from more than 40 countries. The Ethics Hotline can be reached by dialing an access code and a toll-free number posted in the Governance section of Grace's corporate website available at <http://grace.com/ethics>. Links for reporting by email or internet are also provided on the website

Contacts to the Ethics Hotline (as well as reports to the persons listed above) may be submitted anonymously. (The Hotline does not have caller-ID).

Alternatively, a person may contact the Audit Committee of the Grace Board directly with respect to any matter involving accounting, auditing, financial reporting or internal controls. The Audit Committee may be contacted by writing to Mr. Mark E. Tomkins, Chair of the Audit Committee of W. R. Grace & Co., 5502 N. 44th Street, Phoenix, AZ 85018 or by calling 312-914-9799.

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All reports and calls to the persons listed above or to the Ethics Hotline will be treated confidentially. Information provided in such reports and calls shall be shared with other individuals only to the extent necessary (1) to conduct a full and fair investigation and (2) for Grace to take any corrective action. Specifically, the sharing of that information will be balanced fairly between protecting the privacy of personal information, and the need to fully and fairly investigate any allegations made in such reports or calls and meet any resulting disclosure obligations that Grace may have to regulatory or judicial authorities.

All reports will be fully and fairly investigated and the results of the investigation will be communicated to the individual who reported the alleged violation, unless the report was submitted anonymously. Grace may conduct the investigation internally, led by the Chief Ethics Officer or Assistant General Counsel, Employment and Benefits (or an appropriate designee) or externally, using outside counsel, independent accountants or a private investigation firm. The investigation may include, to the extent permitted by law, interviews, document review (including Grace files, files maintained by employees, employee e-mails, phone logs and other electronic records), and surveillance during business or non-business hours. Any investigation conducted using outside counsel, independent accountants or a private investigator must be approved in advance by the General Counsel or the Chair of the Audit Committee, and will be reported to the Audit Committee.

Any person who is the subject of a report or Ethics Hotline call shall be notified of the investigation and be given an opportunity to respond fully to each accusation or complaint reported. However, the identity of any individual who makes such a report or call will not be identified to such person, to the extent consistent with conducting a full and fair investigation.

The Chief Ethics Officer shall maintain a file of all reports and actions taken to address reported allegations. The Chief Ethics Officer shall advise the Audit Committee at its next meeting of any matters involving accounting, auditing, financial reporting or internal controls brought to the attention of Grace since the last Audit Committee meeting.¹

Directors, officers, employees and representatives are expected to report violations of Grace's policies and procedures. Grace will not permit retaliation of any kind for a report made in good faith.

Employees are also encouraged to discuss ethical issues with their supervisors or any of the persons referred to above when in doubt about the best course of action to follow in a particular situation.

¹ All investigations involving a member of the Leadership Team will be referred to and conducted by the Audit Committee or the Corporate Responsibility Committee (or other party deemed appropriate by those Committees).

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Grace will hold all persons who violate or knowingly fail to report a violation of the Policy accountable for their actions and will take appropriate disciplinary action (including termination and seeking criminal prosecution), whether the person involved is a director, executive or other officer, manager, employee or other representative of Grace. No waiver shall be granted to an employee or representative of Grace unless such waiver is approved in advance by the Chief Ethics Officer. No waiver shall be granted to a director, an executive officer (including the principal executive officer and the principal financial officer), the principal accounting officer or controller or persons performing similar functions, unless such waiver is approved by the Board of Directors and disclosed to the public in accordance with SEC and/or New York Stock Exchange requirements to the extent applicable.

All officers and managers of Grace are responsible for monitoring and enforcing this Policy within their respective areas of responsibility. Directors, officers, all U.S. salaried employees and certain non-U.S. management employees and other representatives of Grace will be required to execute annually a certificate indicating that they understand and have complied with this Policy, Policy No. 507 - Conflicts of Interest - and other Grace policies that cover the principles specified above. Certificates will be maintained for five years.

The Chief Ethics Officer and Board of Directors shall review this Policy at least annually.