

## W. R. Grace & Co. Policy and Organization Guide

Policy Name: Conflicts of Interest		Policy Number: 507
Issued By: Board of Directors and Audit Committee	Approving Authority: Board of Directors	Date Last Reviewed: November 8, 2018

### **PURPOSE:**

To advise directors, officers and employees of W. R. Grace & Co. and its subsidiaries (collectively, "Grace" or the "Company") of the well recognized principle of law that each of them has a duty of undivided loyalty to Grace.

### **STATEMENT OF POLICY:**

Under established principles of law and Grace policy, every director, officer and employee of Grace has a duty of undivided loyalty to Grace. Accordingly, if you are confronted with a choice between the interests of Grace and your personal economic interests or your duties to others, you must act in the interests of Grace. While it is not possible to describe all situations involving potential or actual conflicts of interest, the following categories are listed for your guidance:

1. **Acceptance of Gifts.** A gift is receipt of any compensation, entertainment, tickets, vacation lodgings, discounts, services, loans, favors, or anything else of value. You should refuse a gift from any actual or potential supplier, customer, or other person with whom Grace does business or any competitor of Grace (each a "Grace Business Associate") that could reasonably be viewed as (1) creating any obligation on you or Grace, (2) affecting your judgment, or (3) being inappropriate for any reason.

In making your decision, you should follow the following rules and guidelines:

- You should consider refusing or returning any gift with an apparent value of more than \$150. However, acceptance may be appropriate for items clearly marked primarily for advertising, or where business customs or the particular circumstances make acceptance consistent with Grace's interests. The \$150 threshold should be adjusted to reflect the local culture in the relevant location (for example, conditions and customs in Japan would generally dictate that a larger value threshold should be applied there).
- Any discounts offered to you personally (and not available to the general public) must be approved in advance by the Chief Ethics Officer.
- It is never permissible to accept a loan or other gift in cash or cash equivalents (e.g., stocks or other forms of marketable securities) regardless of the amount of the loan or gift.

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- If a Grace Business Associate or its representative persists in offering gifts of any type, discuss the situation with your supervisor.
- In making the decision as to whether it is appropriate to accept a gift, regardless of the value, it may be helpful to ask yourself whether you would be comfortable if all details of your actions were described: (1) to your supervisor; (2) in a news report; or (3) to your family members. You are encouraged to seek guidance from your supervisor if you are unsure.

You must report to your supervisor<sup>1</sup> any gift that you accept with an apparent value of more than \$150 and to the Chief Ethics Officer (to be reported on an annual ethics certification or otherwise), This report shall be kept on file by the Chief Ethics Officer for potential audit review. Multiple gifts from the same person or company that aggregate to more than \$150 in the same year shall also be reported.

2. **Certain Interests, Relationships or Activities.** The following relationships may create potential or actual conflicts of interest, and should be handled in the following manner:

- A. Financial Interests. You may not own stock or any other financial interest in any Grace Business Associate, unless such retention is approved in writing by the supervisor of your supervisor (two reporting levels above you) and such retention is reported annually to the Chief Ethics Officer. The provisions of this clause do not apply to any investment comprising less than 5 percent ownership in a publicly held corporation unless the investment could reasonably be viewed as creating a conflict of interest or the appearance thereof that could affect your judgment.
- B. Non-Financial Interests. You may not act as a director, officer, consultant, agent or employee or in some other representative capacity for a Grace Business Associate, unless such relationship is approved in writing by the supervisor of your supervisor and such relationship is reported annually to the Chief Ethics Officer. Also, all directors and executive officers of W. R. Grace & Co. and/or W. R. Grace & Co.-Conn. must inform the General Counsel prior to entering into any such relationship with any other corporation or entity to ensure compliance with applicable statutory requirements.
- C. Related-Party Transactions. You may not pursue a personal benefit or financial interest in any transaction involving Grace where the benefit or the interest may

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<sup>1</sup> For purposes of this provision, the supervisor of the Chief Executive Officer and each non-employee director is the lead outside director, and the supervisor of the lead outside director is the Chair of the Audit Committee.

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affect your objective and impartial representation of Grace, unless such retention is approved in writing by the supervisor of your supervisor and such retention is reported annually to the Chief Ethics Officer.

- D. Duty of Loyalty. You owe an undivided duty of loyalty to Grace and therefore may not pursue for personal benefit a business opportunity in which Grace might reasonably be interested, unless your pursuit of that opportunity is approved in writing by the supervisor of your supervisor and reported to the Chief Ethics Officer. For instance, you might learn of a business, an invention or other property that is for sale and which Grace might be interested in acquiring. If you fail to disclose this opportunity to Grace and acquire the property you may be legally accountable to Grace for any profits that might be realized.
- E. Speculative Transactions. You may not speculate or deal in goods, commodities, or products purchased, sold, or otherwise utilized by Grace, unless such speculation or dealing is approved in writing by your supervisor.
- F. Family Relationships. You may not have or pursue any personal benefit of the type described above through: (a) any family member; (b) any entity in which you have or a family member has a substantial interest; or (c) any entity of which you are or a family member is a partner, director or officer, unless such interests, relationships, or activities are reported and approved as indicated above.

**3. Other Conflicts of Interest.** The following additional activities may create potential or actual conflict, and may be undertaken only in accordance with the following guidelines and requirements:

- A. Confidential Information. You must maintain the confidentiality of information entrusted to you by Grace or its customers or suppliers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that, if disclosed, might be of use to Grace's competitors or harmful to Grace or its customers or suppliers.
- B. Insider Trading. Grace believes that short-term trading in the securities of W. R. Grace & Co. (NYSE:GRA) by you (or a related person or entity) for profits or speculative purposes should be discouraged since it might put you in a position where your personal economic interests are inconsistent with the impartial exercise of your judgment on Grace's behalf. In addition, under Section 16 of the Securities Exchange Act of 1934 all directors and executive officers of W. R. Grace & Co. must report their security holdings in W. R. Grace & Co. to the Securities and Exchange Commission and are accountable to W. R. Grace & Co. for any profits on purchases and sales or sales and purchases made in any six-month period. Any trading in securities of Grace by directors, executive officers,

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or the principal accounting officer or controller must be reported in advance to the Corporate Secretary.

It is not Grace's desire to discourage or limit your freedom to engage in and maintain outside activities and interests that do not interfere with the performance of your duties to Grace. It is only when there is a possible conflict of interest that Grace is concerned. Where a conflict or potential conflict does develop, you should disclose promptly and fully to your supervisor all pertinent, all questionable as well as obviously objectionable facts. In many instances, the only consequence will be your disqualification from participating in a particular transaction, or a finding that the condition appearing questionable to you is not significant. In other cases, it may prove advisable for you to terminate the outside relationship or activity or dispose of the outside interest or for other measures to be taken.

**REPORTING PROCEDURES:**

Reporting Procedures set forth in Policy 506 shall apply to this Policy 507 as well.