W. R. GRACE & CO.

CORPORATE GOVERNANCE PRINCIPLES

The primary responsibility of the directors of W. R. Grace & Co. is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders, with appropriate consideration of the interests of the Company's other stakeholders. Directors will carry out their duties by overseeing and monitoring the effectiveness of the Company's management. The Board has adopted these principles to provide a framework for the governance of the Company, and to promote the efficient functioning of the Board. The Board and management recognize that when the long-term interests of the Company are advanced and the value of the Company increases, all stakeholders – shareholders, creditors, employees, customers, suppliers, and the communities in which the Company does business – will benefit.

1. Composition of the Board

Size. The Board believes that the optimum number of members should range from six to 10. The Board believes, given the scope and complexity of the Company's businesses, that this size is large enough to provide for sufficient diversity of views and experience, and small enough to permit each director to acquire an intimate understanding of the Company's businesses and make a significant contribution.

Independence. The Board believes that a substantial majority of the Board should be independent, as defined by New York Stock Exchange rules and other applicable laws and regulations. To be considered "independent," a director must be determined by the Board of Directors, after due deliberation, to have no material relationship with the Company other than as a director. In each case, the Board shall broadly consider all relevant facts and circumstances and shall apply the standards set forth in the New York Stock Exchange rules and other applicable laws and regulations.

Term Limits and Retirement. The Board does not believe it should establish mandatory retirement from the Board based on age. However, to provide a balance between (1) having a Board with experienced directors who have been able to develop, over a period of time, an intimate knowledge of the Company and its operations, and (2) ensuring that there are fresh ideas and viewpoints available to the Board, the Board has adopted tenure limitations. After a director has reached 15 years of service with the Board, that director will submit his or her resignation on an annual basis. The Board will have the option to accept or reject such resignation. Directors who have more than 15 years of service as of January 1, 2014 are not subject to this restriction.

Roles of the Chair and CEO. The Board will evaluate whether a chief executive officer should also serve as Chair of the Board. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make this determination each time it elects a new chief executive officer.

Lead Independent Director. If the Chair and CEO are the same person, the independent directors will elect a Lead Independent Director. The duties of the Lead Independent Director will include: presiding at all meetings of the Board at which the Chair is not present; calling and presiding over executive sessions of the independent directors at each Board meeting; acting as primary liaison between the Chair and the independent directors; reviewing Board meeting agendas with the Chair; consulting with the Chair on major issues in advance of each Board meeting; and calling meetings of the independent directors.

Other Directorships. The Board recognizes the substantial time commitment required of its members to fulfill their duties and seeks to strike a balance between dedicated service to the Company and the ability to engage in other business pursuits. The Board has concluded that outside directors may not serve on more than four other public company boards, and that the Chief Executive Officer and the other executive officers may not serve on more than one other public company board. Any director who wishes to join the board of directors of another for profit entity shall discuss such position in advance with the chair of the Nominating and Governance Committee.

2. Board Meetings

Number. The Board should hold a minimum of five regularly scheduled meetings each year. In addition, directors are expected to make themselves available for telephonic meetings and conference calls as may be necessary to review earnings releases, periodic reports or other matters that may arise between meetings. The Board generally welcomes the attendance of the Company’s Leadership Team at each Board meeting. Directors are expected to attend meetings in person. In addition, directors are expected to attend the Company’s annual meeting of shareholders.

Agendas. The Chair of the Board and the Chief Executive Officer (if different from the Chair) will establish the agenda for each meeting. If the Chair is not independent, he or she will solicit input from the Lead Independent Director. Each Board member is free to suggest items for inclusion in the agenda and is free to raise at any Board meeting subjects that are not on the agenda. Agenda materials will be distributed to all directors one week in advance of each meeting to the extent practicable, so that Board meeting time may be conserved and discussion time may be increased to address questions of the Board. On those occasions in which the subject matter is not appropriate to be included in writing in the advance materials, a presentation will be made at the meeting. Directors should carefully review all agenda materials prior to the Board meeting and should be prepared to discuss all scheduled items of business.

The Board will review the Company's long-term strategic plans and annual operating plans during at least one Board meeting each year. In addition, the Board should plan on meeting informally on a periodic basis to discuss strategic issues and other issues of importance to the Company.

Executive Sessions. Non-employee members of the Board generally should meet in an executive session at the conclusion of each Board meeting, as well as such other times as they deem appropriate. The lead director should preside at each session; if the Board has not designated a lead director, the non-employee directors should alternate the role of presiding director at each session.

3. Director Qualifications

Director Candidates. The Nominating and Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. The Board should be composed of individuals with a commitment to increasing shareholder value, a diversity of experience, the highest integrity, the education and experience to understand business problems and evaluate and propose solutions, the personality to work well with others, a reasoned commitment to the social responsibilities of the Company, and the availability of time to assist the Company. The annual assessment should include a review of the directors' independence, as well as a review of whether individual directors continue to be qualified to serve as a director. Shareholders may submit nominations for director nominees in accordance with the Company's By-laws and applicable laws.

Orientation. New directors will receive a comprehensive orientation from appropriate executives regarding the Company and its businesses, including presentations regarding the Company's strategic plans, financial, accounting and risk management issues, and compliance policies and issues.

Continuing Education. The Board encourages its members to stay current on best practices in corporate governance. The Board should be updated on new rules and regulations on a periodic basis as appropriate, whether as part of a Board meeting or through outside seminars. As part of its review of the Company's businesses, the Board should conduct an on-site visit to a facility other than the Company's headquarters in conjunction with a regularly scheduled Board meeting approximately once every other year.

4. Evaluations and Related Matters

Performance Reviews. The Board will conduct a self-evaluation on an annual basis to determine whether it and its committees are functioning effectively. The Board will also conduct an evaluation of the CEO on at least an annual basis.

Management Development and Succession. The CEO should present an annual report to the Board on the Company's program for management development and succession planning for key management positions. Succession planning should include policies and principles for CEO selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the CEO.

5. Board Committees

Standing Committees. The Board will have the following standing committees. Each standing committee will provide a report of its activities to the Board.

<u>Audit</u> – The Audit Committee will assist the Board in overseeing (1) the integrity of the Company's financial statements; (2) the Company's compliance with legal and regulatory requirements; (3) the independent auditor's qualifications and independence; (4) the performance of the Company's internal audit function and independent auditor; and (5) the preparation of the internal control report and an audit committee report as required by the Securities and Exchange Commission.

<u>Compensation</u> – The Compensation Committee will (1) approve all compensation actions with respect to the Company's directors and executive officers; (2) evaluate and approve the Company's annual and long-term incentive compensation plans (including equity-based plans), and oversee the general compensation structure, policies, and programs of the Company; and (3) produce an annual report on executive officer compensation as required by applicable law.

Nominating and Governance – The Nominating and Governance Committee will (1) set criteria for, and identify individuals qualified to become, Board members; and recommend to the Board the director nominees for the annual meeting of shareholders; (2) develop and recommend to the Board appropriate corporate governance principles applicable to the Company; and (3) oversee the evaluation of the Board and management.

Corporate Responsibility – The Corporate Responsibility Committee will assist the Company's Board of Directors and management in addressing the Company's responsibilities as a global corporate citizen (including its responsibilities to its various stakeholders, such as shareholders, customers, employees and the communities in which the Company operates).

The Board may establish and delegate authority to additional committees as necessary or appropriate.

Committee Members. All of the members of standing committees will be independent directors, as defined by New York Stock Exchange rules and other applicable laws and regulations. Standing committee members, including the committee chair, will be appointed by the Board upon recommendation of the Nominating and Governance Committee, with consideration of the desires of individual directors. It is the sense of the Board that consideration should be given to rotating standing committee members periodically, but the Board does not feel that rotation should be mandated as a policy. The Board may remove committee members with or without cause.

Charters. Each committee will have its own charter, to be approved by the Board. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

Temporary Committees. The Board may establish and delegate authority to such temporary committees as it may deem necessary or appropriate from time to time. Temporary committees may include independent, non-employee or employee directors as determined by the Board. Members of any temporary committee, including the committee chair, will be appointed by the Board. The Board may remove members of any temporary committee with or without cause.

6. Access to Management and Outside Advisors

Directors will have full and free access to officers, employees and outside advisors of the Company. Any meetings with management may be arranged by the CEO or the Secretary. The Board and each committee will have the power to hire independent legal, financial or other advisors as they deem necessary or appropriate, without consulting or obtaining the approval of any officer of the Company.

7. Director Compensation

The Compensation Committee will determine the form and amount of director compensation. Compensation will be set at a level that is consistent with market practices, taking into account the size and scope of the Company's businesses and the responsibilities of the directors compared with peer group companies. The total compensation package should be designed to attract and retain highly qualified directors and should align the directors' interests with the long-term interests of the Company and its stakeholders. For Audit Committee members, this compensation package will be the only compensation that a director receives from the Company. For directors not serving on the Audit Committee, additional compensation for other assignments should be limited in scope and duration and must be approved by the Board after a review of its possible effects on the independence of the director.

In order to ensure that the Board's interests are fully aligned with the long-term interests of the Company's shareholders, the Board has implemented stock ownership requirements. Outside directors are required to hold shares of Grace common stock having a value of five times the amount of their annual cash retainer, and the CEO is required to hold shares having a value of five times his or her annual base salary, with such position, in each case, to be acquired within five years.

8. Review of Related Person Transactions

The Board recognizes that related person transactions can present conflicts of interest, or the appearance thereof, and therefore has adopted this policy with respect to related person transactions. For purposes of this policy, a "related person transaction" is a transaction that is required to be disclosed pursuant to Item 404(a) of Regulation S-K of the Securities and Exchange Commission. Item 404(a) generally requires disclosure of transactions in which the Company is a participant, the amount involved exceeds $120,000 and in which any related person (such as an executive officer, director, director nominee, 5% stockholder or any of their respective family members) has a direct or indirect material interest. Each related person transaction shall be reviewed, determined to be in, or not inconsistent with, the best interests of the Company and its stockholders and approved or ratified by: (A) the disinterested members of the Audit Committee, if the disinterested members of the Audit Committee constitute a majority of the members of the Audit Committee, or (B) the disinterested members of the Board. In the event a related person transaction is entered into without prior approval under this policy and, after review by the Audit Committee or the Board, as the case may be, such transaction is not ratified pursuant to this policy, management shall make all reasonable efforts to cancel or annul such transaction.

9. Code of Conduct and Ethics

The Board will oversee and adhere to the Company's business ethics, conflicts of interest and other corporate policies and procedures and will be expected to certify compliance with such policies and procedures on an annual basis and to the same extent as the Company's officers and employees. The Board will resolve any conflict of interest question involving the CEO or any direct report of the CEO. If an actual or potential conflict of interest arises for (1) a director, the director will promptly inform the Chair or (2) the Chair, the Chair will promptly inform the Chair of the Audit Committee. If a significant conflict exists and cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests.

10. Risk Management Oversight

The Board, in an oversight role, should review on at least an annual basis the Company's enterprise risk management program. The Board should consider and provide guidance where appropriate on whether the risk management processes are functioning properly and adapted to the Company's strategy, culture, risk appetite and value-generation objectives.

11. Communications to the Audit Committee or Board

Any employee, customer, shareholder or other interested person who has a concern regarding accounting, internal controls or auditing matters, or any other matter regarding business ethics or conflicts of interest may address those concerns through the Company's ethics hotline or directly by writing to the Chair of the Audit Committee. Procedures for expressing concerns will be included in the Company's business ethics policy, which will be posted on the Company's web site.

12. Annual Review of Guidelines

The Nominating and Governance Committee will review these guidelines on an annual basis. Any recommendations for changes to these guidelines will be submitted to the Board for approval.

Approved by the Board of Directors
Effective February 3, 2014