

Policy Name: Corrupt Business Practices	Policy Number: 511
Issued By: Legal Services Group	Date Last Reviewed: January 2020

PURPOSE:

To advise of the Company's policy against making improper payments and against falsifying the Company's accounting records.

SCOPE:

The Policy applies to W. R. Grace & Co., all of its subsidiaries and majority-owned (50.1% or more) joint ventures around the world, as well as Advanced Refining Technologies LLC and its subsidiaries and majority-owned (50.1% or more) joint ventures around the world (collectively, the "Company").

STATEMENT OF POLICY:

1. Neither the Company, nor any employee, agent, distributor, consultant or other third party acting on its behalf, shall pay a bribe, offer or authorize the payment of a bribe, or ignore the payment of a bribe by another person on the Company's behalf. This applies to corruptly offering or giving anything of value to any government official, candidate for public office, political party or party official, state-owned entity, private business entity or business person for purposes of gaining an unfair business advantage for the Company.
2. All dispositions of the Company's cash or assets shall be properly authorized and appropriately evidenced by supporting documentation. All of the Company's assets and transactions shall be accurately and fairly reflected, in reasonable detail, in the Company's accounting records. No disclosure to the Company's internal or independent accountants shall contain any false or misleading statement or omission.

SUMMARY OF LAWS:

National Bribery Laws. The laws of nearly all countries prohibit the payment of bribes to their government officials and employees, and they also prohibit the receipt of such bribes by government officials and employees. Some countries provide limitations on gifts, meals, and similar items that may be received by their government officials and employees. Many countries also prohibit bribery between private businesses or individuals, even if no government officials are involved.

Anti-corruption laws are not limited to bribery between people or entities of the same country. Countries such as Argentina, Australia, Brazil, Canada, China, France,



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Germany, Italy, Korea, Japan, Mexico, Russia, South Africa, Spain, Sweden, Turkey, the United Kingdom, and many other countries in which Grace does business, have enacted laws that prohibit international bribery between people and entities of different countries. 186 countries, including the above-listed countries, India, Indonesia, Kuwait, Malaysia, Philippines, Saudi Arabia, Singapore and Thailand, are now signatories or parties to the U.N. Convention against Corruption, which, among other matters, provides for cooperation among countries in prosecuting bribery.

Bribery laws enacted in the recent past have become more rigorous in some respects than the U.S. Foreign Corrupt Practices Act (discussed below), which, until recently, has been considered the most stringent international anti-bribery law. For example, under the UK Bribery Act of 2010, a company may be held criminally liable for failing to prevent bribery, unless the company can demonstrate that it had adequate procedures in place to prevent its employees and agents from engaging in bribery.

The U.S. Foreign Corrupt Practices Act (“FCPA”) prohibits U.S. business entities and business people from offering, paying or authorizing bribes to public officials, political candidates, political parties or party officials of other countries, or officials of a public international organization, whether directly or through a third party, in order to obtain an unfair business advantage.

In addition, the FCPA also requires U.S. companies and their majority-owned affiliates to maintain adequate internal controls and to keep accurate and complete records of their transactions. The FCPA prohibits falsifying the Company's accounting records or making improper or disguised payments on behalf of the Company.

Violations of the FCPA and related U.S. laws expose the Company and the individuals involved to potentially severe sanctions, including imprisonment, criminal and civil fines, forfeiture of profits, and other sanctions. Individuals found guilty of violating the FCPA may, for example, be fined up to \$1 million per violation and imprisoned for up to 10 years.

ANTI-CORRUPTION ISSUES

While it is not possible to summarize all potential issues, the following are examples of how anti-corruption laws may be applicable:

1. **Offering or Giving Anything of Value.** Offering, promising or authorizing a bribe may be a violation of law, even if the bribe is never actually paid.

Bribes are not limited to cash payments. Gifts, entertainment, travel, contributions, or anything else of value, including benefits provided to family

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members, may violate the law, even if no cash is paid directly to a government official.

Charitable contributions can violate the FCPA. See Corporate Policy 802 with respect to charitable donations. Political donations can also violate the FCPA. See Corporate Policy 510 with respect to political donations.

2. **Indirect Payments.** A company may be liable for bribes paid by an agent, distributor, consultant, logistics provider, customs broker, or other third party to obtain or maintain business on behalf of that company. Agents and other third parties must be carefully reviewed, selected, and monitored to reduce the potential for such indirect liability. For example, justification (preferably, in the form of documentation) should be required before paying unusual or excessive expenses, and the Company should refuse to pay a third party if the Company has reason to believe that the third party has made an improper payment.

In addition to the “red flags” listed in Paragraph 4 below, particular care should be taken in doing business with a third party if the third party:

- (a) is recommended by a customer or government official, rather than selected independently by the Company;
 - (b) does not have qualifications beyond real or apparent influence over customers or non-U.S. officials;
 - (c) refuses to identify its owners, principals, or employees,
 - (d) requests commissions, discounts, fees or expenses in excess of the going market rate; or
 - (e) requests payments be made in cash or to a tax haven company or to a country outside of the country where the third party does business.
3. **Gifts, Meals and Entertainment.** Gifts to individuals, as well as travel, lodging and entertainment expenses paid on behalf of such individuals, may be considered to be bribes if not customary in the country where the business is being conducted, or if unreasonable in amount, and/or likely to wrongfully influence the recipient. Additional restrictions may apply under country-specific anti-corruption laws.

The value of a gift, travel, lodging or entertainment should be determined from the recipient’s point of view and considered in light of its potential to corruptly influence the recipient. Customary gifts of modest value at holidays, logo gifts, and routine business meals and entertainment often are permissible, but neither expensive gifts, nor entertainment or travel that is unrelated to the promotion of the Company’s products or to the performance of a contract, are permissible.

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Gifts should never be paid in cash. Multiple gifts should not be permitted to one recipient in a one-year period without prior Grace management approval.

As a general matter, travel, lodging and entertainment expenses of customer employees or of government officials who are traveling to meet with Grace or to visit Grace facilities should be paid by the customer or government. They should not be paid by Grace without prior Grace management approval.

If Grace does pay travel, lodging and entertainment expenses on behalf of such an individual, the payments should not violate either (A) the written policies of the government or business that employs the visiting individual, (B) the laws and regulations of the country in which such individual is employed or serves as a public official, or (C) this Policy and all applicable anti-corruption laws.

4. **Due Diligence.** Due diligence of agents, distributors, and other third parties, joint venture partners, and acquisition targets is one of the most important steps that the Company can take to reduce the risk of liability for the improper payments of third parties. Bribes paid by third parties, or bribes paid by acquisition targets before and/or after an acquisition is completed, can subject the Company, its directors, officers, and employees to liability.

Due diligence should be conducted and documented to the extent warranted by the potential risk before a business relationship is formed or a transaction is completed. Proper due diligence is particularly critical if the other party:

- (a) does business in countries that pose a high corruption risk;
 - (b) does business in high corruption risk industries;
 - (c) has a reputation for questionable activity;
 - (d) has ties to public officials, or contributes significant amounts to political parties or candidates;
 - (e) requests unusual compensation or payment methods;
 - (f) refuses to disclose relevant accounting records or other financial information;
 - (g) is evasive on how it conducts its business; or
 - (h) objects to anti-corruption representations or obligations in contracts.
5. **Joint Ventures.** In addition to conducting due diligence on potential joint venture partners, once a venture is established, the Company can reduce its corruption risk by monitoring venture activities and the activities of venture partners. Red flags include (in addition to those listed above in paragraphs 2 and 4) requests for inadequately described payments or requests for approval of unusual or overly generous contracts.

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When the Company has a majority interest, we are required to cause the venture to comply with FCPA accounting and recordkeeping requirements. This requirement also applies to Advanced Refining Technologies LLC, the joint venture between the Company and Chevron in which the Company owns 50%. The Company must make a good faith effort to cause its other non-controlled joint ventures to comply with the FCPA, particularly if the Company appoints some of the ventures' directors or officers.

6. **Reporting.** Improper payments or other suspicious behavior should be reported to the Company in accordance with the Reporting Procedures section of Corporate Policy 506.

PROCEDURES AND IMPLEMENTATION:

All Company employees are responsible for implementing this Policy. The Company's agents, distributors, consultants and other third parties acting on its behalf should be required, as appropriate, to comply with all anti-corruption laws. All employees should contact the Legal Services Group if they need guidance on this Policy or if they believe that any transaction or practice involving the Company or a third party acting on its behalf may violate this Policy.