

## W. R. GRACE & CO.

### AUDIT COMMITTEE CHARTER

**I. Purpose.** The purpose of the Audit Committee is to assist the Board of Directors 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, (5) the Company's systems of disclosure controls and procedures, (6) the Company's internal controls over financial reporting, and (7) the preparation of the internal control report and an audit committee report as required by the Securities and Exchange Commission (SEC). Consistent with this purpose, the Audit Committee should encourage the continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee shall promote an open avenue of communication among the independent auditors, the internal auditors, management and the Board as the best means of ensuring the satisfaction of its obligations.

**II. Composition.** The Audit Committee shall consist of three or more independent members of the Board, who shall be designated in the manner specified in the Company's By-laws. The Audit Committee members shall meet the requirements of the SEC and the New York Stock Exchange (NYSE). At least one member of the Audit Committee shall in the judgment of the Board be an audit committee financial expert in accordance with the rules and regulations of the SEC and at least one member (who may also serve as the audit committee financial expert) shall in the judgment of the Board have accounting or related financial management expertise in accordance with NYSE listing standards. No director may serve on the Audit Committee if he or she already serves on the audit committee of three or more other public companies. The Board shall appoint members of the Committee, including the Committee Chair, and may remove Committee members with or without cause.

**III. Responsibilities and Duties.** The Audit Committee is expected to carry out the following responsibilities and duties:

1. Meet at least four times per year, or more frequently as circumstances dictate. As part of its responsibility to foster open communication, the Committee should meet with the director of internal auditing, the independent auditors, principal accounting officer and other Company officers as it deems appropriate, in separate private sessions to discuss any matters that the Committee or these groups believe should be discussed privately.
2. Establish hiring policies for employees or former employees of the independent auditors.

3. Hire the independent auditors, approve the fees and other compensation to be paid to the independent auditors, oversee the work of the independent auditors and resolve any disagreements between management and the independent auditors regarding financial reporting, and approve the discharge of the independent auditors when circumstances warrant. The independent auditors shall report directly to the Audit Committee.
4. Establish a policy for the pre-approval of all audit and non-audit services to be performed by the independent auditors in accordance with SEC regulations.
5. Evaluate the independence and qualifications of the internal auditing department and the independent auditors. The Audit Committee is responsible for ensuring that the independent auditors submit to the committee, at least annually for its review, a formal written statement delineating all relationships between the independent auditors and the Company. The Audit Committee is also responsible for actively engaging in dialogue with the independent auditors with respect to any disclosed relationships or services that might impact the objectivity and independence of the independent auditors. The Audit Committee also must review the experience and qualifications of the senior members of the independent auditor's audit team.
6. Review and concur in the appointment, replacement, reassignment or dismissal, and the annual compensation, of the director of internal auditing.
7. Obtain and review at least annually a report by the independent auditors describing the internal quality control procedures of the independent auditors, including any material issues raised by the most recent internal quality control review, or peer review, of the auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues.
8. Inquire of management, the director of internal auditing and the independent auditors as to the areas of significant risk and/or exposure to the Company and assess the steps taken by management to minimize such risk and/or exposure. This inquiry should address whether the Company has an effective process and policy for assessing and managing risks and exposure from asserted and unasserted litigation, and claims from noncompliance with laws and regulations.
9. Review, in consultation with management, the independent auditors and the director of internal auditing, the audit scope and plan of the internal

auditors and the independent auditors to assure completeness of coverage, reduction of redundant efforts and the effective use of audit resources.

10. Consider, in consultation with management, the rationale for employing audit firms other than the principal independent auditors.
11. Consider and review with management, the independent auditors and the director of internal auditing:
  - a. The Company's internal controls, including information system controls and security.
  - b. Management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting and the independent auditors' attestation to, and report on, management's control assessment related to Section 404 of the Sarbanes-Oxley Act of 2002.
  - c. Significant findings, recommendations, and reports of the independent auditors and the internal auditing department, together with management's responses thereto, including the timetable for implementation of the recommendations to correct weaknesses in the internal controls.
  - d. Problems or difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and management's response. The independent auditors and the director of internal auditing should be instructed to communicate directly to the Audit Committee any serious difficulties or disagreements with management.
  - e. The effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
  - f. Significant changes required in the audit scope and/or plan.
  - g. The internal auditing department's responsibilities, budget and staffing.
  - h. Compliance by the internal auditing department with the IIA's *Standards for the Professional Practice of Internal Auditing*.
  - i. The internal auditing department charter.

12. Review and discuss with management, the independent auditors and the internal auditing department:
  - a. The Company's annual and quarterly financial statements and related notes, including management's discussion and analysis of financial condition and results of operations and the chief executive officer's and chief financial officer's certifications thereof.
  - b. The independent auditors' audit of the annual financial statements and their report thereon.
  - c. Earnings press releases (including the type of information to be included), as well as financial information and earnings guidance provided to analysts and ratings agencies; provided however, the Committee need not discuss in advance each instance in which the Company might provide financial information and earnings guidance.
  - d. The Company's significant accounting issues and policies and possible alternative accounting treatments.
  - e. The use by the Company of non-GAAP measures in its financial reporting and other SEC filings.
  - f. Critical audit matters (CAMs) affecting the Company or its financial statements.
  - g. Management's assumptions, estimates and judgments affecting the reported assets, liabilities, revenues and expenses of the Company.
  - h. Significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
  - i. Other matters related to the conduct of the audit that are required to be communicated to the Audit Committee under generally accepted auditing standards or requirements of the PCAOB.
13. In conjunction with the Corporate Responsibility Committee, review the Company's standards of business conduct and related procedures intended to ensure compliance with those standards, and review with the director of internal auditing and the independent auditors the results of their review of the Company's monitoring of compliance with its code of conduct or similar policies.

14. Review with legal counsel and other appropriate management any legal, tax or regulatory matters that may have a material impact on the Company's financial statements, related Company compliance policies, and programs and reports received from regulators.
15. Oversee the taking of appropriate action to correct irregularities and implement audit recommendations.
16. Report Audit Committee actions to the Board with such recommendations as the Audit Committee may deem appropriate.
17. Conduct any investigation it determines to be necessary to carry out its duties, and retain, at the Company's cost, independent counsel, auditors and/or other experts or advisors to assist it in any such investigation.
18. Establish procedures for (a) the confidential and anonymous receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls and auditing matters, and (b) the confidential, anonymous submission to the Committee by the Company's employees of concerns regarding questionable accounting or auditing matters.
19. Recommend to the Board whether the financial statements should be included in the Annual Report on Form 10-K and prepare a report each year for disclosure to the public in accordance with applicable law.
20. As required by the Company's Corporate Governance Principles, review and approve or ratify related person transactions.
21. Conduct an annual evaluation of the Committee's performance.
22. Review and reassess the adequacy of this Charter at least annually.
23. Perform such other functions as are required by law, by the Company's Certificate of Incorporation or By-laws, or by the Board.

**IV. Funding.** The Company shall provide for appropriate funding, as determined by the Committee, for payment of:

1. Compensation to any auditing firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
2. Compensation to any advisers employed by the Committee under Section III.17 of this Charter; and

3. Ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

**V. Remuneration.** Audit Committee members may not accept any direct or indirect consulting, advisory or other compensatory fees from or on behalf of the Company or any affiliate, other than fees for services as a member of the Board or a Board committee.

**VI. Responsibilities and Duties Not Exclusive.** The responsibilities and duties of a member of the Audit Committee are in addition to those arising out of membership on the Board.

**VII. Limitations of Audit Committee's Role.** While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors.

**Approved by the Audit Committee and Board of Directors**  
**Date: January 23, 2020**