

W R GRACE & CO
Form DEF 14A
March 17, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

W. R. Grace & Co.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Talent I Technology I Trust™

W. R. Grace & Co.
7500 Grace Drive
Columbia, Maryland 21044

Notice of 2015 Annual Meeting &
Proxy Statement

Date of Notice: March 17, 2015

Fred Festa
Chairman and Chief Executive Officer

T +1 410.531.4000

W. R. Grace & Co.-Conn.
7500 Grace Drive
Columbia, MD 21044

March 17, 2015

To Our Stockholders:

I am pleased to announce the Annual Meeting of Stockholders of W. R. Grace & Co. to be held on Thursday, May 7, 2015 at 9:00 a.m. Eastern Time at the Ten Oaks Ballroom and Conference Center, 5000 Signal Bell Lane, Clarksville, Maryland 21029.

We are taking advantage of the Securities and Exchange Commission rule that allows us to furnish proxy materials to you over the Internet. This e-proxy process expedites your receipt of proxy materials, lowers our costs and reduces the environmental impact of our Annual Meeting. Today, we sent to most of our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2015 Proxy Statement and 2014 Annual Report to Stockholders and how to vote via the Internet. Other stockholders will receive a copy of the proxy statement and annual report by mail or e-mail. The matters to be acted upon at the Annual Meeting are described in the Notice of Annual Meeting and 2015 Proxy Statement.

We are pleased to offer multiple methods for voting your shares. As detailed in the “Questions and Answers” section of this Proxy Statement, you can vote your shares via the Internet, by telephone, by mail or by written ballot at the Annual Meeting. We encourage you to use the Internet to vote your shares as it is the most cost-effective method.

To ensure that you have a say in the governance of Grace, it is important that you vote your shares. Please review the proxy materials and follow the instructions to vote your shares. I look forward to receiving your input.

Sincerely,

Fred E. Festa
Chairman and Chief Executive Officer

To the Holders of Common Stock of
W. R. Grace & Co.

NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS

to be held on

May 7, 2015

The 2015 Annual Meeting of Stockholders of W. R. Grace & Co. (the "Annual Meeting") will be held on Thursday, May 7, 2015 at 9:00 a.m. Eastern Time at the Ten Oaks Ballroom and Conference Center, 5000 Signal Bell Lane, Clarksville, Maryland 21029. At the Annual Meeting, stockholders will vote on the following matters:

1. The election of four directors for a term expiring in 2018 and one director for a term expiring in 2016;
2. The ratification of PricewaterhouseCoopers LLP as Grace's independent registered public accounting firm for 2015;
3. An advisory vote to approve the compensation of Grace's named executive officers;
4. An advisory vote on whether the advisory vote to approve named executive officer compensation should occur every one, two or three years;
5. The approval of the Grace Executive Annual Incentive Compensation Plan, or EAICP, including the material terms of the performance measures available under the EAICP; and
6. Any other business properly brought before the Annual Meeting.

The Board of Directors has fixed the close of business on March 10, 2015 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting. This notice and the accompanying proxy materials are sent to you by order of the Board of Directors.

Your vote is very important. Whether or not you plan to attend the Annual Meeting, we encourage you to vote as promptly as possible by Internet, by phone or by mail.

By Order of the Board of Directors

Mark A. Shelnitz
Vice President, General Counsel & Secretary

March 17, 2015

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON MAY 7, 2015

This Notice and the Proxy Statement and Annual Report on Form 10-K are available at www.edocumentview.com/GRA

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Grace®, the Grace® logo and, except as otherwise indicated, the other trademarks, service marks or trade names used in the text of this Proxy Statement are trademarks, service marks or trade names of operating units of W. R. Grace & Co. or its subsidiaries.

Unless the context otherwise indicates, in this document the terms "Grace," "we," "us," "our" or the "Company" mean W. R. Grace & Co. and/or its consolidated subsidiaries. Unless otherwise indicated, the contents of websites mentioned in this Proxy Statement are not incorporated by reference or otherwise made a part of this Proxy Statement.

PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON
MAY 7, 2015

The Board of Directors of W. R. Grace & Co. is soliciting proxies for our 2015 Annual Meeting of Stockholders (the "Annual Meeting"). You are receiving this Proxy Statement because you own shares of Grace common stock that entitle you to vote at the Annual Meeting. By use of a proxy you can vote, whether or not you attend the Annual Meeting. This Proxy Statement describes the matters we would like you to vote on and provides information on those matters so you can make an informed decision.

SUMMARY OF VOTING MATTERS AND BOARD RECOMMENDATIONS

The following proposals will be voted on at the 2015 Annual Meeting of Stockholders:

Proposals	For More Information	Board Recommendation
Proposal 1: Election of Directors Nominees-Class I (Term expiring 2018) Robert F. Cummings, Jr. Marye Anne Fox Janice K. Henry Mark E. Tomkins Nominee-Class II (Term expiring 2016) Diane H. Gulyas	Page <u>18</u>	FOR Each Nominee
Proposal 2: Ratification of appointment of independent registered public accounting firm	Page <u>36</u>	FOR
Proposal 3: Advisory vote to approve compensation of Grace's named executive officers	Page <u>40</u>	FOR
Proposal 4: Advisory vote on whether the advisory vote on named executive officer compensation should occur every one, two or three years	Page <u>41</u>	FOR holding vote every year
Proposal 5: Approval of Grace Executive Annual Incentive Compensation Plan, or EAICP, including the material terms of the performance measures under the EAICP	Page <u>42</u>	FOR

If you are a stockholder of record, you may cast your vote in any of the following ways:

• by Internet at www.envisionreports.com/GRA, (we encourage you to vote this way as it is the most cost-effective method and reduces the environmental impact of our Annual Meeting);

• by toll-free telephone at 1-800-652-VOTE (8683) in the USA, U.S. territories and Canada on a touch tone telephone;

• by completing and returning your proxy card before May 6, 2015; or

• by written ballot in person at the Annual Meeting.

If you hold shares through a broker, bank, financial institution or other nominee or intermediary that serves as stockholder of record, you may cast your vote by complying with the instructions of your nominee or intermediary set forth on the voting instruction card.

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QUESTIONS AND ANSWERS
ABOUT THE ANNUAL MEETING AND THE VOTING PROCESS

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Question 1: Why am I receiving these materials?

We are providing these proxy materials to you because you own shares of Grace Common Stock as of March 10, 2015, the record date for our 2015 Annual Meeting of Stockholders to be held on Thursday, May 7, 2015 at 9:00 a.m. Eastern Time at the Ten Oaks Ballroom and Conference Center, 5000 Signal Bell Lane, Clarksville, Maryland 21029. These materials were first made available on the Internet or mailed to stockholders on or about March 17, 2015. You are welcome to attend the Annual Meeting and are requested to vote on the proposals described in this Proxy Statement. This Proxy Statement will provide you with the information necessary to make an informed voting decision on the proposals to be presented at the Annual Meeting.

Question 2: Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

In accordance with rules and regulations adopted by the Securities and Exchange Commission, or SEC, instead of mailing a printed copy of our proxy materials to each stockholder of record, we may furnish proxy materials, including this Proxy Statement and our 2014 Annual Report to Stockholders, by providing access to such documents via the Internet. This e-proxy process expedites stockholders' receipt of proxy materials, lowers our costs and reduces the environmental impact of our Annual Meeting.

Most stockholders will not receive printed copies of the proxy materials unless they request them. Instead, we have mailed a Notice of Internet Availability of Proxy Materials that will tell you how to access and review all of the proxy materials on the Internet. The notice also tells you how to vote on the Internet. If you would like to receive a paper or e-mail copy of our proxy materials, you should follow the instructions for requesting such materials in the notice.

Question 3: What is included in a full set of proxy materials?

The proxy materials include:

• Proxy Statement for the Annual Meeting (including the Notice of Annual Meeting of Stockholders);

• 2014 Annual Report to Stockholders, which includes our audited consolidated financial statements; and

• If you are a stockholder of record, the proxy card; or

• If you hold shares through a broker, bank, financial institution or other nominee or intermediary that serves as stockholder of record, a voting instruction card.

Question 4: Can I access the Annual Meeting materials via the Internet?

The Grace Notice of 2015 Annual Meeting of Stockholders, Proxy Statement for the 2015 Annual Meeting of Stockholders and 2014 Annual Report are available at: www.edocumentview.com/GRA and at <http://investor.grace.com>.

Question 5: What am I voting on?

You are voting on FIVE proposals:

Proposal One: Election of four directors for a term of three years, with the following as our Board's nominees:

Robert F. Cummings, Jr.

Marye Anne Fox

Janice K. Henry

Mark E. Tomkins

Election of one director for a term of one year, with the following as our Board's nominee:

Diane H. Gulyas

Proposal Two: The ratification of PricewaterhouseCoopers LLP as Grace's independent registered public accounting

firm for fiscal year 2015;

Proposal Three: An advisory vote to approve the compensation of Grace's named executive officers;

Proposal Four: An advisory vote on whether the advisory vote to approve named executive officer compensation should occur every one, two or three years; and

Proposal Five: The approval of the Grace Executive Annual Incentive Compensation Plan, or EAICP, including the

material terms of the performance measures available under the EAICP.

Question 6: What are the voting recommendations of our Board?

Our Board of Directors is soliciting this proxy and recommends the following votes:

FOR each of the director nominees;

FOR ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2015;

FOR the advisory approval of the compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis section and accompanying compensation tables and narrative contained in this Proxy Statement;

FOR a frequency of ONE YEAR for future non-binding stockholder advisory votes to approve compensation of our named executive officers; and

FOR the approval of the Grace Executive Annual Incentive Compensation Plan, or EAICP, including the material terms of the performance measures available under the EAICP.

Question 7: Will any other matters be voted on?

We are not aware of any other matters on which you will be asked to vote at the Annual Meeting. If other matters are properly brought before the Annual Meeting, the proxy holders will use their discretion to vote on these matters as they may arise. Furthermore, if a nominee cannot or will not serve as director, then the proxy holders will vote for a person whom they believe will carry out our present policies.

Question 8: Who can vote?

If you hold shares of Grace common stock, CUSIP No.: 38388F108, as of the close of business on March 10, 2015, then you are entitled to one vote per share at the Annual Meeting. There is no cumulative voting.

Question 9: How do I vote?

Vote via the Internet

You may vote via the Internet at www.envisionreports.com/GRA as instructed on the Notice of Internet Availability of Proxy Materials at or before 11:59 p.m., Eastern Time, on May 6, 2015. We provide voting instructions on the website for you to follow. Internet voting is available 24 hours a day, seven days a week. You will be given the opportunity to confirm that your instructions have been recorded properly. If you vote via the Internet, you do not need to return a proxy card. Please see the notice or proxy card for Internet voting instructions. We encourage you to vote this way as it is the most cost-effective method and it reduces the environmental impact of the Annual Meeting.

Vote by telephone

You may vote by toll-free telephone by calling 1-800-652-VOTE (8683) in the USA, U.S. territories and Canada on a touch tone telephone and following the instructions provided on the telephone line at or before 11:59 p.m., Eastern Time, on May 6, 2015. Telephone voting is available 24 hours a day, seven days a week. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been recorded properly. If you vote by telephone, you do not need to return a proxy card. Please see the proxy card for telephone voting instructions.

Vote by mail

If you have received a paper proxy card and choose to vote by mail, simply mark your proxy card or voting instruction card, sign and date it, and return it in the postage-paid envelope provided before the close of business on May 6, 2015.

Vote in-person

You may attend the Annual Meeting in person and complete a written ballot. If you hold shares through a broker, bank, financial institution or other nominee or intermediary that serves as stockholder of

record, you must obtain a written proxy, executed in your favor, from the record holder to be able to vote in person at the Annual Meeting.

If you hold shares through a broker, bank, financial institution or other nominee or intermediary that serves as stockholder of record, you may cast your vote by complying with the instructions of your nominee or intermediary set forth on the voting instruction card.

Question 10: Can I change my vote?

Yes.

You can change your vote or revoke your proxy by:

- entering a new vote by Internet or telephone at or before 11:59 p.m., Eastern Time, on May 6, 2015;
- returning a later-dated proxy card by mail before the close of business on May 6, 2015;
- notifying our Corporate Secretary, Mark A. Shelnitz, by written revocation letter to the address listed on the front page of this Proxy Statement before the Annual Meeting; or
- by attending the Annual Meeting and completing and submitting a written ballot.

If you hold shares through a broker, bank, financial institution or other nominee or intermediary that serves as stockholder of record, you can change your vote or revoke your proxy by complying with the instructions of your nominee or intermediary set forth on the voting instruction card.

Question 11: What is the deadline for voting my shares if I do not intend to vote in person at the Annual Meeting?

If you do not intend to vote in person at the Annual Meeting, your signed proxy card must be received before the close of business on May 6, 2015. You may also vote by Internet or by telephone at or before 11:59 p.m., Eastern Time, on May 6, 2015. If you hold shares through a broker, bank, financial institution or other nominee or intermediary that serves as stockholder of record, you must comply with the instructions of your nominee or intermediary set forth on the voting instruction card.

Question 12: Is my vote confidential?

Yes. Only the inspectors of the election and certain individuals, independent of Grace, who help with the processing and counting of the vote have access to your vote. Our directors and employees may see your vote only if we need to defend ourselves against a claim or in the event of a proxy solicitation by someone other than Grace.

Question 13: Who will count the votes?

Our transfer agent, Computershare Shareowner Services, referred to herein as Computershare, has been appointed as inspectors of election. Its representatives will attend the Annual Meeting and will count the votes.

Question 14: What is the difference between holding shares as a stockholder of record versus as a beneficial owner?

Many of our stockholders hold their shares as beneficial owner through a broker, bank, financial institution or other nominee or intermediary that serves as stockholder of record, rather than directly in their own name as stockholder of record. As summarized below, there are some differences between shares held directly as stockholder of record and those owned beneficially through a nominee or intermediary that serves as stockholder of record:

Stockholders of Record

If your shares are registered directly in your name with our transfer agent, Computershare, you are considered the stockholder of record with respect to those shares, and the Notice of Annual Meeting and proxy materials are being sent directly to you. As the stockholder of record, you have the right to grant your voting proxy directly to us, or to vote in person at the Annual Meeting. If you have requested printed proxy materials, we have enclosed a proxy card for you to use.

Beneficial Owners

If your shares are held in a stock brokerage account or by a bank, financial institution or other nominee or intermediary, you are considered the beneficial owner of shares held in “street name,” and the Notice of Annual Meeting and these proxy materials are being forwarded to you by your nominee or intermediary who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your nominee or intermediary on how to vote and are also welcome to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you request, complete and deliver a legal proxy from your nominee or intermediary. If you requested printed proxy materials, your nominee or intermediary should have enclosed a voting instruction card for you to use in directing the nominee or intermediary regarding how to vote your shares. If a voting instruction card was not included in the printed proxy materials, please contact your nominee or intermediary to determine how to provide voting instructions.

Question 15: Why is it important for me to vote?

If you do not vote, your shares may not be represented at the Annual Meeting. This may result in matters not receiving the number of votes necessary for their approval.

Question 16: What is the effect of not voting?

Shares you own in “street name” through a broker, bank, financial institution or other nominee or intermediary and you do not vote:

In the absence of your voting instructions, your broker, bank, financial institution or other nominee or intermediary may or may not vote your shares at its discretion depending on the proposals before the Annual Meeting. We understand that your nominee or intermediary may vote your shares at its discretion on “routine matters” and that your nominee or intermediary may not vote your shares on proposals that are not “routine.” When your broker submits a proxy for your shares but does not indicate a vote for a particular proposal because of the absence of voting instructions, a “broker non-vote” occurs. Broker non-voted shares count toward the quorum requirement, but are not counted as voted for or against a proposal, or as abstentions, nor are they counted to determine the number of votes present for a particular proposal.

We believe that Proposal Two (Ratification of PricewaterhouseCoopers LLP as our independent registered public accountants) is a routine matter on which nominees or intermediaries can vote on behalf of their clients if clients do not furnish voting instructions. Proposals One, Three, Four and Five are non-routine matters so your nominee or intermediary is not entitled to vote your shares on these proposals without your instructions.

Shares you own that are directly registered in your name and you return a proxy card without giving specific voting instructions:

If you are a stockholder of record and you sign and return a proxy card without giving specific voting instructions, your shares will count toward the quorum requirement and the proxy holders will vote your shares in the manner recommended by our Board of Directors on all matters presented in this proxy statement and the proxy holders may vote in their discretion for any other matters properly presented for a vote at the Annual Meeting.

Shares you own that are directly registered in your name and you do not return a proxy card and you do not vote: In this case, your unvoted shares will not be represented at the Annual Meeting and will not count toward the quorum requirement. If a quorum is obtained, your unvoted shares will not impact Proposal One or whether stockholders approve or reject Proposals Two, Three, Four or Five.

Question 17: What vote is required to approve each proposal, assuming a quorum is present at the Annual Meeting?

It will depend on each proposal.

Proposal One: In January 2015, we adopted a majority voting standard for the election of directors. Under this voting standard, once a quorum has been established with respect to an election that is not contested, directors are elected by a majority of the votes cast. This means that the number of shares voted FOR a director nominee must exceed the number of shares voted AGAINST that director nominee. Abstentions and broker non-votes are not counted as a vote cast either FOR or AGAINST a director nominee. Under our Certificate of Incorporation, our By-laws and the Delaware General Corporation Law, a director holds office until a successor is elected and qualified or until his or her earlier resignation or removal. If a director standing for re-election is not elected by the requisite majority of the votes cast in an uncontested election, that director must tender his or her resignation following certification of the stockholder vote. The Nominating and Governance Committee of our Board of Directors will make a recommendation to our Board of Directors on whether to accept or reject the resignation, or whether other action should be taken. Our Board of Directors will consider and act on the Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. Any director who offers his or her resignation will not participate in the Committee's or our Board of Directors' decision. In a contested election, where the number of nominees exceeds the number of directors to be elected as provided in our By-laws, directors will be elected by a plurality of the votes cast. The election of directors at the Annual Meeting is uncontested and, therefore, the majority voting standard will apply.

Proposal Two: The affirmative vote of a majority of the shares present, in person or by proxy, and entitled to vote is required to approve the ratification of the appointment of PricewaterhouseCoopers LLP as Grace's independent registered public accounting firm for fiscal year 2015. This means that if you abstain from voting, it will have the same effect as if you voted against the proposal. We do not expect broker non-votes (described above) on Proposal Two since we believe this is a "routine" matter

Proposal Three: The affirmative vote of a majority of the shares present, in person or by proxy, and entitled to vote is required to approve the advisory vote on the compensation of our named executive officers. Because your vote is advisory, it will not be binding on our Board or Grace. However, our Board will review the voting results and take them into consideration when making future decisions regarding executive compensation. This means that if you abstain from voting, it will have the same effect as if you voted against the proposal. Broker non-votes will have no effect on the outcome of the vote.

Proposal Four: The frequency of the advisory vote on the compensation of our named executive officers that receives the affirmative vote of a majority of the shares present, in person or by proxy, and entitled to vote - every three years, every two years or every one year - will be the frequency that stockholders approve. If none of the frequencies receives a majority of the votes, then the frequency that receives the greatest number of votes will be deemed to be the frequency that the stockholders approve. Because your vote is advisory, it will not be binding on our Board or Grace. However, our Board will review the voting results

and take them into consideration when making future decisions regarding the frequency of the advisory vote on executive compensation. If you abstain from voting, it will have no effect on the outcome of the vote. Broker non-votes will also have no effect on the outcome of the vote.

Proposal Five: The affirmative vote of a majority of the shares present, in person or by proxy, and entitled to vote is required to approve the Grace Executive Annual Incentive Compensation Plan, or EAICP, including the material terms of the performance measures available under the EAICP. If you abstain from voting, it will have the same effect as if you voted against the proposal. Broker non-votes will have no effect on the outcome of the vote.

Question 18: What shares are covered by my proxy card or voting instruction card?

The shares covered by your proxy card represent the shares of Grace common stock that are registered directly in your name with our transfer agent, Computershare. If your shares are held in a brokerage account or by a bank, financial institution or other nominee or intermediary, you will not receive a proxy card; you are considered the beneficial owner of shares and your nominee or intermediary should have enclosed a voting instruction card for you to use in directing how to vote your shares.

Question 19: What does it mean if I get more than one set of proxy materials?

It means your shares are held in more than one account. You should vote the shares represented by the proxy materials using one of the four ways to vote. To provide better stockholder services, we encourage you to register all of your shares that are held directly in the same name and address. You may do this by contacting our transfer agent, Computershare, toll-free at 1-800-652-8683.

Question 20: Who can attend the Annual Meeting?

All stockholders of record and their duly appointed proxies and all beneficial owners of shares held through a broker, bank, financial institution or other nominee or intermediary that serves as stockholder of record, as of the close of business on March 10, 2015, can attend the Annual Meeting. Seating, however, is limited. Attendance at the Annual Meeting will be on a first-arrival basis.

Question 21: What do I need to do to attend the Annual Meeting?

To attend the Annual Meeting, please follow these instructions:

If shares you own are registered in your name, bring your proof of ownership of Grace common stock;

If you hold shares through a broker, bank, financial institution or other nominee or intermediary that serves as stockholder of record, bring proof of your beneficial ownership of the shares through such nominee or intermediary as of March 10, 2015, the record date for the Annual Meeting;

Bring a form of photo identification; and

Do not bring cameras, recording devices or other electronic devices as they will not be permitted at the Annual Meeting.

Question 22: Will there be a management presentation at the Annual Meeting?

No, there will be no management presentation; however, our Board of Directors and management will be available to respond to questions from stockholders in attendance at the Annual Meeting.

Question 23: Can I bring a guest to the Annual Meeting?

While bringing a guest is not prohibited, please be aware that seating is limited at the Annual Meeting.

Question 24: How many votes must be present to hold the Annual Meeting?

A majority of the shares entitled to vote generally in the election of directors outstanding on the March 10, 2015, record date constitutes a quorum for voting at the Annual Meeting. If you vote, your shares will be part of the quorum. Abstentions and broker non-votes (as described above) will be counted in determining the quorum. On the record date, 73,012,537 shares of Grace common stock were outstanding and entitled to vote at the Annual Meeting.

Question 25: How are proxies solicited and how much did this proxy solicitation cost?

We will primarily solicit proxies by mail and/or email, and we will cover the expense of such solicitation. Georgeson Inc. will help us solicit proxies from all brokers, banks, financial institutions and other nominees or intermediaries at a cost to Grace of approximately \$10,000 plus reimbursement of expenses. Our officers and employees may also solicit proxies for no additional compensation. We may reimburse nominees or intermediaries for reasonable expenses that they incur in sending these proxy materials to you if a nominee or intermediary holds your shares.

Question 26: How do I recommend someone to be considered for nomination by the Board of Directors as a director?

You may recommend any person as a candidate for nomination by our Board of Directors as a director by writing to Mark A. Shelnitz, our Vice President, General Counsel and Secretary. Your letter must include all of the information required by our By-laws for director nominations including, but not limited to, the candidate's name, biographical data, and qualifications, as well as the written consent of the person to serve as a director and appear in the proxy statement. The Nominating and Governance Committee reviews all submissions of recommendations from stockholders. The Nominating and Governance Committee will determine whether the candidate is qualified to serve on our Board of Directors by evaluating the candidate using the criteria contained under the caption "Director Qualifications" in Section 3 of the Grace Corporate Governance Principles and shall make a determination as to whether to nominate the candidate to fill a vacancy on our Board that arises during the year in which the recommendation is received. Copies of our Corporate Governance Principles are provided at our website at

www.grace.com/en-us/corporate-leadership/Pages/Governance.aspx, or you may request a copy of these materials by contacting Grace Shareholder Services at the address or phone number provided in the Questions and Answers section of this Proxy Statement and these materials will be mailed to you at no cost.

Question 27: When are stockholder proposals to be included in the Grace proxy materials for the 2016 Annual Meeting of Stockholders pursuant to Rule 14a-8 due to Grace?

Pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, we must receive stockholder proposals in writing by November 18, 2015, to consider them for inclusion in our proxy materials for the 2016 Annual Meeting of Stockholders.

Question 28: What are the requirements for proposing business for the 2016 Annual Meeting of Stockholders, including stockholder nominations for director candidates, that is not submitted for inclusion in the Grace proxy materials?

A stockholder who intends to propose business, including stockholder nominations for director candidates, at the 2016 Annual Meeting, other than pursuant to Rule 14a-8 of the Exchange Act must comply with the requirements set forth in our By-laws. Among other things, a stockholder must give us written notice of the intent to propose business for the 2016 Annual Meeting not earlier than the close of business on the 120th day prior to, and not later than the close of business on the 90th day prior to, the first anniversary of the preceding year's annual meeting of stockholders.

Therefore, based upon the Annual Meeting date of May 7, 2015, Grace's Corporate Secretary must receive notice of a stockholder's intent to propose business for the 2016 Annual Meeting, no sooner than the close of business on January 8, 2016, and no later than the close of business on February 7, 2016. Notwithstanding the foregoing, if

the date of the 2016 Annual Meeting is more than 30 days before or more than 60 days after the anniversary date of the 2015 Annual Meeting, then notice by the stockholder to be timely must be delivered not earlier than the close of business on the 120th day prior to the date of the 2016 Annual Meeting and not later than the close of business on the later of (i) the 90th day prior to the date of the 2016 Annual Meeting or (ii) if the first public announcement of the date of the 2016 Annual Meeting is less than 100 days prior to the date of the 2016 Annual Meeting, on the 10th day following the day on which we first make a public announcement of the date of the 2016 Annual Meeting.

If the notice is received after the close of business February 7, 2016, or any otherwise applicable deadline, then the notice will be considered untimely and we are not required to present the stockholder proposal at the 2016 Annual Meeting. If our Board of Directors chooses to present any information submitted after February 7, 2016, other than pursuant to Rule 14a-8 of the Exchange Act, at the 2016 Annual Meeting, then the persons named in proxies solicited by our Board of Directors for the 2016 Annual Meeting may exercise discretionary voting power with respect to such information. A copy of our By-laws and the Grace Corporate Governance Principles is provided at our website at www.grace.com/en-us/corporate-leadership/Pages/Governance.aspx, or you may request a copy of these materials by contacting Grace Shareholder Services at the address or phone number provided below and these materials will be mailed to you at no cost.

Question 29: Where can I find Grace corporate governance materials?

We have provided our Corporate Governance Principles, Business Ethics and Conflicts of Interest policies, and the Charters for the Audit, Compensation, Nominating and Governance and Corporate Responsibility Committees of our Board of Directors on our website at www.grace.com/en-us/corporate-leadership/Pages/Governance.aspx. Our filings with the Securities and Exchange Commission (including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and Section 16 insider trading transactions) are available at www.sec.gov. Our Business Ethics and Conflicts of Interest policies are applicable to the members of our Board of Directors and to all of our employees, including, but not limited to, the principal executive officer, principal financial officer, principal accounting officer or controller, or any person performing similar functions. Any amendments to or waivers of our Business Ethics and Conflicts of Interest policies that our Board of Directors approves will be disclosed on our website. We are not including the information contained on our website as part of or incorporating it by reference into this Proxy Statement.

Question 30: How can I obtain Grace corporate governance materials if I do not have access to the Internet?

You may receive a copy of our corporate governance materials free of charge by:

• contacting Grace Shareholder Services at 410-531-4167; or

• writing to:

W. R. Grace & Co.

Attn: Grace Shareholder Services

7500 Grace Drive

Columbia, Maryland 21044

Question 31: What is the process for reporting possible violations of the Grace Business Ethics and Conflicts of Interest policies?

Employees and other interested persons may anonymously report a possible violation of the Grace Business Ethics and Conflicts of Interest policies by calling The Network, a third party service, at 655-458-3947 in the U.S. and Canada, or by email to reportline@tnwinc.com. Toll-free telephone numbers for other countries can be found at www.grace.com/en-us/corporate-leadership/Pages/Governance.aspx. Reports of possible violations of the Grace Business Ethics and Conflicts of Interest

policies may also be made to Mark A. Shelnitz, our Chief Ethics Officer at W. R. Grace & Co., 7500 Grace Drive, Columbia, Maryland 21044. Reports may be made anonymously, subject to certain restrictions outside the U.S. Reports of possible violations of the Grace Business Ethics and Conflicts of Interest policies that the complainant wishes to go directly to our Board may be addressed to the Chairman of the Nominating and Governance Committee, Christopher J. Steffen. Mr. Steffen can be contacted with a letter to his attention at W. R. Grace & Co., 7500 Grace Drive, Columbia, Maryland 21044.

Reports of possible violations of financial or accounting policies may be made to the Chairman of the Audit Committee, Mark E. Tomkins. Mr. Tomkins can be contacted with a letter to his attention at W. R. Grace & Co., 7500 Grace Drive, Columbia, Maryland 21044.

Question 32: How do I obtain more information about W. R. Grace & Co.?

To obtain additional information about Grace, you may contact Grace Shareholder Services by:

•visiting our website at <http://investor.grace.com/investor-relations-contacts>;

•contacting Grace Shareholder Services at 410-531-4167; or

•writing to:

W. R. Grace & Co.

Attn: Grace Shareholder Services

7500 Grace Drive

Columbia, Maryland 21044

Question 33: If more than one stockholder lives in my household, how can I obtain an extra copy of this Proxy Statement?

Pursuant to the rules of the SEC, a company may deliver to multiple stockholders sharing the same address a single copy of its Proxy Statement and Annual Report or multiple copies of the Notice of Internet Availability of Proxy Materials in a single envelope unless the company has received prior instructions to the contrary. We have instituted this procedure, referred to as householding, for our stockholders in order to reduce our printing and postage costs and reduce the environmental impact of our Annual Meeting. Upon written or oral request, we will mail a separate copy of our Proxy Statement and Annual Report or a separate copy of our Notice of Internet Availability of Proxy Materials in separate envelopes to any stockholder at a shared address to which a single copy of the Proxy Statement and Annual Report or Notices of Internet Availability of Proxy Materials were delivered in a single envelope. Conversely, upon written or oral request, we will cease delivering separate copies of the Proxy Statement and Annual Report, or a separate copy of our Notice of Internet Availability of Proxy Materials in separate envelopes to any stockholders at a shared address to which multiple copies of either document were delivered in the past. You may contact us with your request by calling or writing to Grace Shareholder Services at the address or phone number provided above. We will mail materials that you request at no cost. You can also access this Proxy Statement and the Annual Report online at www.edocumentview.com/GRA. Stockholders who hold their shares in "street name," that is, through a broker, bank, financial institution or other nominee or intermediary as holder of record, and who wish to change their householding instructions or obtain copies of these documents, should follow the instructions on their voting instruction card or contact the holders of record.

PROPOSAL ONE
ELECTION OF DIRECTORS

Our Board of Directors has nominated five directors for election. Robert F. Cummings, Jr., Marye Anne Fox, Janice K. Henry and Mark E. Tomkins are standing for election to our Board as Class I directors for a three-year term expiring in 2018 and Diane H. Gulyas is standing for election to our Board as a Class II director for a one-year term expiring in 2016.

If a nominee becomes unable to serve, the proxies will vote for a Board-designated substitute or our Board may reduce the number of directors. Grace has no reason to believe that any of the nominees for election will be unable to serve.

Our Board of Directors determined that each of the nominees qualifies for election as a member of our Board. In making this determination, our Board believes that its membership should be comprised of directors who have the highest integrity, a diversity of experience, the education and ability to understand business problems and evaluate and propose solutions, the personality to work well with others, a dedication to the interests of our stockholders, a reasoned commitment to our social responsibilities, and the time to meet their responsibilities as directors. Our Board further believes that a substantial majority of its membership should be independent. Our Board of Directors has determined that each of Dr. Fox and Mses. Gulyas and Henry and Messrs. Tomkins and Cummings qualify as independent directors under applicable rules and regulations and Grace's independence standards. See information contained in the "Corporate Governance—Number and Independence of Directors" section of this Proxy Statement. All of our directors bring to our Board a wealth of leadership capabilities derived from their service in executive and managerial roles and also extensive board experience. Background information about the nominees and the continuing directors, including their business experience and directorships held during the past five years, and certain individual qualifications and skills of our directors that contribute to our Board's effectiveness as a whole, are described below. Our Board of Directors believes that the Grace directors as a group have backgrounds and skills important for our business. Our Board also believes that its effectiveness has been enhanced by having a blend of long-serving directors with a deep understanding of our businesses and relative newcomers who have been able to provide fresh viewpoints. The biographies below summarize the experiences, qualifications, attributes, and skills that qualify our nominees and continuing directors for service on our Board.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF ROBERT F. CUMMINGS, JR., MARYE ANNE FOX, JANICE K. HENRY, MARK E. TOMKINS, AND DIANE H. GULYAS

Nominees For Election as Directors

Nominees—Class I—Term to expire at the 2018 Annual Meeting

Robert F. Cummings, Jr.
Age 65
Director since 2015

Has served as Vice Chairman of Investment Banking at JPMorgan Chase & Co. since 2010. From 2002 to 2009, Mr. Cummings served as a senior managing director at GSC Group, Inc., a privately held money management firm. He began his business career in the investment banking division of Goldman, Sachs & Co. in 1973 and was a partner of the firm from 1986 until his retirement in 1998. He served as an advisory director at Goldman Sachs until 2002. Mr. Cummings is a director of Corning Inc. and Viasystems Group, Inc.

Mr. Cummings brings to our Board his more than 30 years of investment banking experience advising corporate clients on financings, business development, mergers and acquisitions, and other strategic financial issues. He also has significant knowledge in the areas of technology, private equity and real estate. Mr. Cummings has substantial governance and oversight experience developed as a director of multiple public companies.

Marye Anne Fox
Age 67
Director since 1996

Retired in 2012 as Chancellor of the University of California San Diego (UCSD) and Distinguished Professor of Chemistry at that institution after serving in those positions since 2004. She currently serves as Chancellor Emerita and Distinguished Professor of Chemistry and Biochemistry at UCSD. She was previously Chancellor of North Carolina State University and Distinguished University Professor of Chemistry. Dr. Fox has served as the Co-Chair of the National Academy of Sciences' Government-University-Industry Research Roundtable and served on the National Science Board and on President Bush's Council of Advisors on Science and Technology. She has served as the Vice Chair of the National Science Board. Dr. Fox is a director of Bridgepoint Education, Inc. and Red Hat, Inc. and served as a director of Pharmaceutical Product Development, Inc. until 2008 and Boston Scientific Corporation until 2010.

With her chemistry background, strong financial and operational experience leading large and successful educational institutions as well as service as an outside director to public and private boards, Dr. Fox brings to our Board a full understanding of Grace's products and research and development efforts, substantial experience in overseeing corporate management and finance and high-level knowledge of operations and strategic planning for large institutions.

Janice K. Henry
Age 63
Director since 2012

Served as Senior Vice President and Treasurer until 2006 and Chief Financial Officer until 2005 of Martin Marietta Materials, Inc. (a chemical and materials manufacturer); after her retirement in 2006, she provided consulting services to Martin Marietta Materials, Inc. until 2009. Ms. Henry served as a director of North American Galvanizing and Coatings, Inc. until its acquisition in 2010 by AZZ Incorporated, of Inco Limited until its acquisition in 2006 by CVRD, and of Cliffs Natural Resources, Inc until 2014.

Ms. Henry brings to our Board her substantial experience in financial and accounting leadership, including with respect to acquisitions and capital structuring, gained as an officer of a chemicals and materials manufacturer. She also has significant governance and oversight experience from her service on public and private corporate boards.

Mark E. Tomkins
Age 59
Director since 2006

Served as Senior Vice President and Chief Financial Officer of Innovene, a petrochemical and oil refining company controlled by BP that is now part of the INEOS Group, from 2005 until 2006. He served as Chief Financial Officer of Vulcan Materials Company from 2001 to

2005 and CFO of Great Lakes Chemical (now Chemtura) from 1998 to 2001. Prior to joining Great Lakes Chemical, Mr. Tomkins held various mid- and upper-level financial positions with AlliedSignal (now Honeywell) and Monsanto Company. Mr. Tomkins is a certified public accountant. Mr. Tomkins was formerly a director of Elevance Renewable Sciences Inc., a privately held renewable polymer and energy company and of CVR Energy, Inc. He is currently a private investor.

With his background as a Chief Financial Officer of multiple public companies, Mr. Tomkins brings to our Board his intimate knowledge of the global chemicals and petroleum industry and his experience overseeing finance and business development in major corporations. Mr. Tomkins also has substantial governance and oversight experience developed as a director of public companies.

Nominee—Class II—Term to expire at the 2016 Annual Meeting

Diane H. Gulyas
Age 58
Director since
2015

Served as President of the performance polymers business of E.I. DuPont De Nemours and Company which included DuPont's engineering polymers, elastomers and films business units from 2009 to 2014. Ms. Gulyas joined DuPont in 1978 and progressed through positions of increasing responsibility including a variety of sales, marketing, technical and systems development positions, primarily in DuPont's polymers business. Ms. Gulyas has served as vice president and general manager for DuPont's advanced fiber business and as group vice president of DuPont's electronic and communication technologies platform. In 2004, Ms. Gulyas was named chief marketing and sales officer of DuPont, responsible for corporate branding and marketing communications, market research, e-business and marketing/sales capability worldwide. Ms. Gulyas is a director of Mallinckrodt Pharmaceuticals and served as a director of Navistar International Corporation until 2012.

Ms. Gulyas brings to our Board her substantial and varied management experience and her strong skills in engineering, manufacturing (domestic and international), marketing and non-U.S. sales and distribution gained as a senior executive of one of the world's largest chemical companies. Ms. Gulyas also has governance and oversight experience from her service as a senior executive of a public company and her prior service on a public company board.

Continuing Directors

Continuing Directors—Class II—Term to expire at the 2016 Annual Meeting

Ronald C. Cambre
Age 76
Director since 1998

Served as Chairman of the Board and Chief Executive Officer of Newmont Mining Corporation until his retirement as CEO in 2000 and Chairman in 2001. He joined Newmont as Vice Chairman and CEO in 1993. Mr. Cambre served as Chairman of the Board of McDermott International, Inc. (an engineering and construction company) and as a director of Cliffs Natural Resources Inc. until 2011.

Mr. Cambre brings to our Board his extensive background in leadership and management at the most senior level in major corporations, his deep understanding of international business and global energy issues and his governance and oversight experience developed as a director of multiple public companies.

Jeffrey N. Quinn
Age 56
Director since 2012

Serves as Chairman and Chief Executive Officer of The Quinn Group LLC, a diversified holding company with investments in the industrial, active lifestyle, and entertainment sectors, and Quinpario Partners LLC, an investment and operating firm in the performance materials and specialty chemical sectors, each of which he formed in 2012. Since September 2014, Mr. Quinn has served as Chairman of Quinpario Acquisition Corp. 2, a blank-check company sponsored by a subsidiary of Quinpario Partners LLC. He served as Chairman and President of Quinpario Acquisition Corp. from May 2013 until it acquired Jason Industries, Inc. in June 2014. Since July 2014 Mr. Quinn has served as Chairman of the Board of Jason Industries, Inc. Mr. Quinn served as President and Chief Executive Officer from 2004 and Chairman from 2006 of Solutia Inc., a global leader in specialty chemicals until its sale in 2012 to Eastman Chemical Company. Mr. Quinn joined Solutia as an executive officer in 2003, serving as Senior Vice President, General Counsel, Secretary and, from June 2003, Chief Restructuring Officer. Solutia filed for Chapter 11 bankruptcy protection in December 2003 and emerged from bankruptcy protection in February 2008. Prior to that, Mr. Quinn served as Executive Vice President of Premcor, Inc. (a refinery group) and Senior Vice President, General Counsel and Secretary of Arch Coal Inc. Mr. Quinn is also a director of Tronox Limited and Ferro Corporation and he served as a director of MEMC Electronic Materials Inc. until 2013.

Mr. Quinn brings to our Board his extensive senior level executive leadership experience in specialty chemicals and other industries and his broad experience in a wide range of functional areas, including strategic planning, mergers and acquisitions, human resources, and legal and governmental affairs. He also has extensive experience in board processes and governance.

Continuing Directors—Class III—Term to expire at the 2017 Annual Meeting

H. Furlong Baldwin Age 83 Director since 2002	<p>Served as a director of Mercantile Bankshares Corporation from 1970 to 2003, as Chairman of the Board from 1984 to 2003 and as President and Chief Executive Officer from 1976 to 2001. Mr. Baldwin served as Chairman of NASDAQ OMX Group, Inc. until 2012 and served as a director of Platinum Underwriters Holdings, Ltd. and Allegheny Energy Inc. until 2011.</p> <p>Mr. Baldwin brings to our Board the management and governance knowledge he developed as a banking chief executive and public company board member and his extensive experience in banking and finance including significant knowledge of the business development, acquisitions, capital raising, operations and financial issues facing large corporations.</p>
Alfred E. Festa Age 55 Director since 2004	<p>Joined Grace in 2003 and was elected Chief Executive Officer in 2005 and Chairman in 2008. He served as President from 2003 to 2011 and Chief Operating Officer from 2003 to 2005. Prior to joining Grace, Mr. Festa was a partner of Morganthaler Private Equity Partners, a venture capital and buyout firm, from 2002 to 2003. From 2000 to 2002, he was with ICG Commerce, Inc., a private company providing on-line procurement services, where he last served as President and Chief Executive Officer. Prior to that, he served as Vice President and General Manager of AlliedSignal's (now Honeywell) performance fibers business. Mr. Festa is a director of NVR, Inc., a publicly held home builder.</p> <p>Mr. Festa brings to our Board his substantial leadership, sales and marketing, international business and venture capital experience. As CEO, Mr. Festa brings to our Board his intimate knowledge of all aspects of Grace's operations and strategy.</p>
Christopher J. Steffen Age 73 Director since 2006	<p>Served as Vice Chairman of Citicorp and its principal subsidiary, Citibank N.A., until 1996. He is currently a private investor. Mr. Steffen is a director of Viasystems Group, Inc. and Platinum Underwriters Holdings, Ltd. and until 2012, served as a director of Accelrys, Inc. Previously, Mr. Steffen served as Senior Vice President and Chief Financial Officer of Eastman Kodak and Executive Vice President and Chief Financial and Administrative Officer and director of Honeywell. As Lead Independent Director, Mr. Steffen presides at all executive sessions of our Board.</p> <p>With his background as a financial and operational leader with companies with global operations in various industries, Mr. Steffen brings to our Board his extensive international business expertise and knowledge of financial matters and financial reporting. Mr. Steffen also has substantial governance and oversight experience developed as a director of multiple public companies.</p>

Corporate Governance

Corporate Governance Principles

Our Board of Directors has adopted the Grace Corporate Governance Principles to provide a framework for the governance of Grace, and to promote the efficient functioning of our Board. These principles are subject to modification by our Board from time to time. You can find the Grace Corporate Governance Principles on our website at www.grace.com/en-us/corporate-leadership/Pages/Governance.aspx.

Number and Independence of Directors

Our Board of Directors determines the number of directors. Our Board currently consists of 10 members. Under our Corporate Governance Principles, a substantial majority of Grace's directors are required to be "independent" as determined under guidelines set forth in the listing standards of the New York Stock Exchange, or NYSE. Our Board, at its February 25, 2015 meeting, affirmatively determined that all directors, other than Mr. Festa (who is also our Chief Executive Officer), are independent under NYSE rules because none of such directors has any direct or indirect material relationship with Grace or our subsidiaries, other than through his or her service as a director and as an owner of less than 1% of Grace common stock. In addition to the application of the NYSE rules, this determination was based on a number of factors, principal among them were the following:

- none of these directors, nor any member of their immediate families, is, or at any time during the last three years was, a Grace executive officer or employee;
- none of these directors, nor any member of their immediate families, is an executive officer of any other entity with whom we do any material amount of business;
- none of these directors, nor any member of their immediate families has, during the last three years, received more than \$50,000 in direct compensation from Grace (other than director and committee fees); and
- none of these directors serve, or within the last three years served, as an executive officer, director, trustee or fiduciary of any charitable organization to which we made any material charitable donation.

Director Terms

Our Certificate of Incorporation provides for the division of our Board of Directors into three classes, each to serve for a three-year term. The term of one class of directors currently expires each year at the annual meeting of stockholders. Our Board may fill a vacancy by electing a new director to the same class as the director being replaced or by reassigning a director from another class. Our Board may also create a new director position in any class and elect a director to hold the newly created position. We expect that new directors elected by our Board will stand for election by the stockholders at the next annual meeting of stockholders.

At a Board of Directors meeting held on January 22, 2015, Mr. Cummings was elected as a Class I director and Ms. Gulyas was elected as a Class II director. Accordingly, the stockholders will vote on the election of four Class I Directors to serve for a term expiring at the 2018 Annual Meeting and one Class II Director to serve for a term expiring at the 2016 Annual Meeting, unless one or more of such directors is unable to serve.

Board Leadership—Lead Independent Director

Under our Corporate Governance Principles, our Board of Directors makes a determination as to whether the Chief Executive Officer should also serve as Chairman of the Board of Directors. This determination is based upon the composition of our Board and the circumstances of Grace at the time.

Our Board believes that this issue is part of the succession planning process. Our Board has considered the roles and responsibilities of each position and currently believes that Grace and its stockholders are best served by having Mr. Festa serve as both Chairman and Chief Executive Officer. Our Board of Directors believes that Mr. Festa's service in both positions is appropriate due to his extensive industry experience, his in-depth knowledge of Grace and its highly complex and diversified international operations and strategy, and his full appreciation of the business environment and Grace's risk management strategies. Our Board believes that as Chairman and Chief Executive Officer, Mr. Festa can provide a single voice to management, stockholders and customers and be a vital link between management and the independent directors.

Mr. Steffen, one of our independent directors, has been elected by the independent directors to serve as the Lead Independent Director. The Lead Independent Director: presides at all meetings of our Board at which the Chairman is not present; calls and presides over executive sessions of the independent directors at each Board meeting; acts as primary liaison between the Chairman and the independent directors; approves Board meeting agendas with the Chairman; approves meeting schedules to assure that there is sufficient time for discussion of all agenda items; consults with the Chairman on major issues in advance of each Board meeting; and calls meetings of the independent directors. The Lead Independent Director also serves as a contact for Grace stockholders who wish to communicate with our Board other than through the Chairman. Our Board believes that this leadership structure is appropriate for Grace and in the best interests of Grace stockholders at this time.

Interested parties may communicate with Mr. Steffen by writing to him at the following address: Christopher J. Steffen, Lead Independent Director, c/o W. R. Grace & Co., 7500 Grace Drive, Columbia, Maryland 21044.

Standing Committees of our Board of Directors

Our Board of Directors has the following four standing committees: Audit Committee, Nominating and Governance Committee, Compensation Committee, and Corporate Responsibility Committee. Only independent directors, as independence is determined in accordance with NYSE rules, are permitted to serve on the standing committees. The Board annually selects, from among its members, the members and Chair of each standing committee.

The table below provides information with respect to current standing committee memberships of the directors as of March 17, 2015. The table also sets forth the number of meetings (including teleconference meetings) held by each Board committee in 2014:

Director	Audit	Compensation	Nominating and Governance	Corporate Responsibility
H. Furlong Baldwin	ü	ü	ü	ü
Ronald C. Cambre	ü	ü	ü	ü
Robert F. Cummings, Jr. Alfred E. Festa	ü	ü	ü	ü
Marye Anne Fox	ü	ü	ü	*
Diane H. Gulyas	ü	ü	ü	ü
Janice K. Henry	ü	ü	ü	ü
Jeffry N. Quinn	ü	*	ü	ü
Christopher J. Steffen‡	ü	ü	*	ü
Mark E. Tomkins	*	ü	ü	ü
Number of 2014 Meetings	5	5	1û	1

ü Committee Member and Independent Director

* Committee Member, Independent Director and Committee Chair

‡ Lead Independent Director

û During 2014, the Board of Directors directly oversaw the evaluation of management and considered director nominees.

Each standing committee has a written charter that describes its responsibilities. Each of the standing committees has the authority, as it deems appropriate, to independently engage outside legal, accounting or other advisors or consultants. In addition, each standing committee annually conducts a review and evaluation of its performance and reviews and reassesses its charter. You can find the current charters of each standing committee on our website www.grace.com/en-us/corporate-leadership/Pages/Governance.aspx.

Audit Committee

The Audit Committee has been established in accordance with the provisions of the Exchange Act, the rules of the NYSE and our Corporate Governance Principles. The Audit Committee assists our Board of Directors in overseeing:

- the integrity of Grace's financial statements;
- Grace's compliance with legal and regulatory requirements;
- the qualifications and independence of the independent auditors;
- the performance of Grace's internal audit function and independent auditors; and
- the preparation of the internal control report and an audit committee report as required by the SEC.

The Audit Committee has the authority and responsibility for the appointment, retention, compensation, oversight and, if circumstances dictate, discharge of Grace's independent auditors, including pre-approval of all audit and non-audit services to be performed by the independent auditors. The independent auditors report directly to the Audit Committee and, with the internal auditors, have full access to the Audit Committee and routinely meet with the Audit Committee without management being present. The Audit Committee is also responsible for reviewing, approving and ratifying any related party transaction.

The Audit Committee members are H. Furlong Baldwin, Ronald C. Cambre, Robert F. Cummings, Jr., Marye Anne Fox, Diane H. Gulyas, Janice K. Henry, Jeffry N. Quinn, Christopher J. Steffen and

Mark E. Tomkins, each of whom meets the independence standards of the SEC and NYSE, are financially literate within the meaning of the NYSE listing standards and meet the experience and financial requirements of the NYSE listing standards. Our Board of Directors has determined that all Audit Committee members are "audit committee financial experts" as defined by SEC rules and regulations. Mr. Tomkins serves as Chair of the Audit Committee.

Nominating and Governance Committee

The Nominating and Governance Committee:

- sets criteria for the selection of directors, identifies individuals qualified to become directors and recommends to our Board the director nominees for the annual meeting of stockholders;
- develops and recommends to our Board appropriate corporate governance principles applicable to Grace; and
- oversees the evaluation of our Board and management.

In considering candidates for election to our Board (including candidates recommended by stockholders), we believe that, at a minimum, our Board should be composed of individuals with a commitment to increasing stockholder value, a diversity of experience, the highest integrity, the education and ability to understand business problems and evaluate and propose solutions, the personality to work well with others, a reasoned commitment to Grace's social responsibilities, and the availability of time to assist Grace. We wish to ensure that a diversity of experience is reflected on our Board, including a broad diversity of industry experience, product experience and functional background. We also believe that a substantial majority of our Board should be independent, as defined by NYSE rules and applicable laws and regulations.

Our Board conducts a self-assessment process every year and periodically reviews the skills and characteristics needed by our Board. As part of the review process, our Board considers the skill areas represented on our Board, those skill areas represented by directors expected to retire or leave our Board in the near future, and recommendations of directors regarding skills that could improve the ability of our Board to carry out its responsibilities.

When our Board or the Nominating and Corporate Governance Committee has identified the need to add a new Board member with specific qualifications or to fill a vacancy on our Board, the chair of the Nominating and Corporate Governance Committee will initiate a search, seeking input from other directors and management, review any candidates that the Committee has previously identified or that have been recommended by stockholders in that year, and may retain a search firm. The Committee will identify the initial list of candidates who satisfy the specific criteria, if any, and otherwise qualify for membership on our Board. Generally, two members of the Committee (with one preferably the chair) and our Chairman of the Board and Chief Executive Officer will interview each qualified candidate. Other directors may also interview the candidate if practicable. Based on a satisfactory outcome of those reviews, the Committee will make its recommendation on the candidate to our Board.

The Nominating and Governance Committee has the sole authority to retain and terminate any search firm to be used to identify director candidates and the sole authority to approve the search firm's fees and other retention terms.

The Nominating and Governance Committee members are H. Furlong Baldwin, Ronald C. Cambre, Robert F. Cummings, Jr., Marye Anne Fox, Diane H. Gulyas, Janice K. Henry, Jeffry N. Quinn, Christopher J. Steffen and Mark E. Tomkins, each of whom meets the independence standards of the NYSE. Mr. Steffen serves as Chair of the Nominating and Governance Committee.

Compensation Committee

The Compensation Committee:

- approves all compensation actions with respect to Grace's directors, executive officers, and certain other members of senior management;

- evaluates and approves the Grace annual and long-term incentive compensation plans (including equity-based plans), and oversees the general compensation structure, policies, and programs of Grace; and

- produces an annual report on executive officer compensation as required by applicable law.

The Committee engaged Towers Watson, a human resources consulting firm, as its independent provider of compensation consulting services for decisions relating to 2014 compensation. Please see "Executive Compensation—Compensation Discussion and Analysis" in this Proxy Statement for more discussion about the role of Towers Watson. The Committee also utilizes external legal advisors as necessary and assesses the independence of all of its advisors.

Representatives of Towers Watson periodically attended meetings of the Compensation Committee. For portions of those meetings, the Chairman and Chief Executive Officer and the Vice President and Chief Human Resources Officer also attended and were given the opportunity to express their views on executive compensation to the Compensation Committee.

The Compensation Committee members are H. Furlong Baldwin, Ronald C. Cambre, Robert F. Cummings, Jr., Marye Anne Fox, Diane H. Gulyas, Janice K. Henry, Jeffrey N. Quinn, Christopher J. Steffen and Mark E. Tomkins, each of whom is: independent under the independence standards of the NYSE, a "non employee director" of Grace as defined under Rule 16b-3 of the Exchange Act, and an "outside director" for the purposes of the corporate compensation provisions contained in Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Tax Code. Mr. Quinn serves as Chair of the Compensation Committee.

Corporate Responsibility Committee

The Corporate Responsibility Committee assists our Board of Directors and management in addressing Grace's responsibilities as a global corporate citizen. In particular, the Committee counsels management with respect to:

- the development, implementation and continuous improvement of procedures, programs, policies and practices relating to the Grace's responsibilities as a global corporate citizen;

- the adherence to those procedures, programs, policies and practices at all levels of Grace; and

- the maintenance of open communications to ensure that issues are brought to the attention of, and considered by, all appropriate parties.

The Corporate Responsibility Committee members are H. Furlong Baldwin, Ronald C. Cambre, Robert F. Cummings, Jr., Marye Anne Fox, Diane H. Gulyas, Janice K. Henry, Jeffrey N. Quinn, Christopher J. Steffen and Mark E.

Tomkins, each of whom meets the independence standards of the NYSE. Dr. Fox serves as Chair of the Corporate Responsibility Committee.

Director Attendance at Board of Directors Meetings

Our Board of Directors generally holds six regular meetings per year and meets on other occasions when circumstances require. Directors spend additional time preparing for Board and committee meetings and participating in conference calls to discuss quarterly earnings announcements or significant transactions or developments. We also may call upon directors for advice between

meetings. Our Corporate Governance Principles provide that our Board will meet regularly in executive session without management in attendance. Under our Corporate Governance Principles, we expect directors to regularly attend meetings of our Board and of all committees on which they serve and to review the materials sent to them in advance of those meetings. We expect nominees for election at each annual meeting of stockholders to attend the annual meeting. All of the nominees for election at the Annual Meeting this year currently serve on our Board of Directors.

Our Board of Directors held nine meetings in 2014, including meetings by telephone conference. Each director attended 75% or more of the 2014 meetings of our Board and the Board committees on which he or she served in 2014.

Director Attendance at the Annual Meeting

We expect that all of our directors serving on our Board at the time of the Annual Meeting will attend the Annual Meeting pursuant to our Corporate Governance Principles.

Board Role in Risk Oversight

Our Board of Directors actively oversees the risk management of Grace and the implementation of our strategic plan and the risks inherent in the operation of our businesses. Our Board reviews the Grace enterprise risk management program at least annually and considers whether risk management processes are functioning properly and are appropriately adapted to Grace's strategy, culture, risk appetite and value-generation objectives. Our Board provides guidance to management regarding risk management as appropriate. These activities are supplemented by a rigorous internal audit function that reports directly to the Audit Committee.

Standing Board committees are responsible for overseeing risk management practices relevant to their functions. The Audit Committee oversees the management of market and operational risks that could have a financial impact, such as those relating to internal controls and financial liquidity. The Nominating and Governance Committee oversees risks related to governance issues, such as the independence of directors and the breadth of skills on our Board. The Compensation Committee manages risks related to Grace's executive compensation plans and the succession of the Chief Executive Officer and Chief Operating Officer. The Corporate Responsibility Committee manages certain risks related to government regulation and environment, health and safety matters.

Stock Ownership Guidelines

In order to ensure that the long-term financial interests of our directors and senior executives are fully aligned with the long-term interests of our stockholders, our Board has implemented stock ownership guidelines. The guidelines are as follows:

Category of Executive	Ownership Guideline
Directors (other than CEO)	5 times cash portion of annual retainer
Chief Executive Officer	5 times base salary
Members of the Grace Leadership Team	3 times base salary
Presidents of Operating Segments	2 times base salary
Certain Key Vice Presidents	1 times base salary

Current directors and executives subject to the stock ownership guidelines generally have five years from the later of the 2013 adoption of the guidelines or the date of hire/election until they are expected to comply with the relevant guideline.

Stockholder Communications with our Board of Directors

Stockholders may communicate with our Board of Directors by writing to Mr. Festa, the Chairman of the Board of Directors, at the following address: Fred Festa, Chairman of the Board of Directors, c/o W. R. Grace & Co., 7500 Grace Drive, Columbia, Maryland 21044. Stockholders may communicate with the independent members of our Board of Directors by writing Mr. Steffen, the Lead Independent Director, at the following address: Christopher J. Steffen, Lead Independent Director, c/o W. R. Grace & Co., 7500 Grace Drive, Columbia, Maryland 21044.

Director Compensation

Director Compensation Program

Under our compensation program for nonemployee directors, each nonemployee director receives an annual retainer of \$180,000 that is split between cash and equity. For any portion of a retainer denominated in cash but paid in shares of common stock, we calculate the number of shares of common stock to be issued by dividing the amount payable in shares of common stock by the fair market value per share. The fair market value per share is the closing price of the common stock on the date of grant. If any calculation would result in a fractional share being issued, we round the amount of equity to be issued up to the nearest whole share. Under this program, each nonemployee director receives an annual retainer of \$80,000 paid quarterly in cash and an annual award of approximately \$100,000 of Grace common stock issued in May. Additional annual cash retainers are paid in December as follows: the Lead Independent Director receives \$20,000; the Audit Committee Chair receives \$15,000; and the Chairs of the Compensation and the Nominating and Governance Committees each receive \$10,000. We reimburse directors for expenses they incur in attending Board and committee meetings and other activities incidental to their service as directors but our directors are not paid any separate meeting fees. Our directors, and all Grace employees, are entitled to participate in the Grace Foundation's Matching Grants Program. We also maintain business travel accident insurance coverage for our directors. Mr. Festa's compensation is described in the Summary Compensation Table set forth in "Executive Compensation—Compensation Tables" and he receives no additional compensation for serving as a member of our Board of Directors.

Director Compensation on Emergence from Chapter 11

On February 3, 2014, our Joint Plan of Reorganization became effective, concluding our status as a debtor under Chapter 11. In connection with our emergence, each nonemployee director was issued shares of Grace common stock with a fair market value of approximately \$150,000 on the date of grant. These shares vest in one-quarter annual increments on or about each of the first four anniversaries of the grant date if the director remains a director on the vesting date or leaves our Board due to death or incapacity prior to the vesting date; provided however, each director was given credit toward vesting for his or her existing years of service on our Board. Mr. Festa did not participate in this grant of Grace common stock.

The following table sets forth amounts that we paid to our nonemployee directors in connection with their services to Grace during 2014.

Name (a)	Fees Earned or Paid in Cash \$(c)	Stock Awards \$(d)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation \$(e)	Total (\$)
J. F. Akers (b)	13,333	150,021	—	—	—	—	163,354
H. F. Baldwin	80,000	250,040	—	—	—	—	330,040
R. C. Cambre	80,000	250,040	—	—	—	3,000	(f) 333,040
M. A. Fox	80,000	250,040	—	—	—	—	330,040
J. K. Henry	80,000	250,040	—	—	—	—	330,040
J. N. Quinn	90,000	250,040	—	—	—	—	340,040
C. J. Steffen	110,000	250,040	—	—	—	3,000	(f) 363,040
M. E. Tomkins	95,000	250,040	—	—	—	—	345,040

(a) Mr. Cummings and Ms. Gulyas were elected to our Board during 2015 and did not receive any compensation for service during 2014.

(b) Mr. Akers resigned from the Board on January 17, 2014.

Amount consists of cash portion of annual retainer in the amount of \$80,000 and additional payments to: Mr.

(c) Quinn for serving as Chair of the Compensation Committee in the amount of \$10,000; Mr. Tomkins for serving as Chair of the Audit Committee in the amount of \$15,000; and Mr. Steffen for serving as Chair of the Nominating and Governance Committee (\$10,000) and Lead Independent Director (\$20,000) in the amount of \$30,000.

(d) Reflects the aggregate grant date fair value of the equity portion of the annual retainer of 1,078 shares of Grace common stock and Chapter 11 emergence grant of 1,496 shares of Grace common stock calculated in accordance with FASB ASC Topic 718. With respect to Ms. Henry's Chapter 11 emergence stock grant, 748 shares vested during 2014, 374 shares vested on January 16, 2015 and the remaining 374 shares vest on January 15, 2016. With respect to Mr. Quinn's emergence stock grant, 748 shares vested during 2014, 374 shares vested on November 7, 2015 and the remaining 374 shares vest on November 6, 2016. Chapter 11 emergence stock grants to the other directors vested immediately.

(e) Grace paid an aggregate of \$27 in premiums for business travel accident insurance coverage for all directors during 2014.

(f) Consists of charitable contributions paid during 2014 to academic institutions at the request of the director pursuant to the Grace Foundation's Matching Grants Program.

Director Compensation Process

Our director compensation program is intended to enhance our ability to attract, retain and motivate nonemployee directors of exceptional ability and to promote the common interest of directors and stockholders in enhancing the value of Grace. The Compensation Committee reviews director compensation at least annually. The Compensation Committee has the sole authority to engage a consulting firm to evaluate director compensation and, in 2014, engaged Towers Watson, a human resources consulting firm, to assist in establishing director compensation. The Compensation Committee determines director compensation based on recommendations and information provided by Towers Watson and based on reviewing commercially available survey data from Towers Watson related to general industry director compensation trends at companies of comparable size and our peer group companies (as described under the caption "Executive Compensation—Compensation Discussion and Analysis").

OTHER INFORMATION

Equity Security Ownership of Management and Certain Other Beneficial Owners

The following table sets forth the amount of Grace common stock beneficially owned, directly or indirectly, as of February 28, 2015, by:

- each person that we know is the beneficial owner of more than 5% of the outstanding shares of Grace common stock;
- each current director;
- each of the executive officers named in the Summary Compensation Table set forth in "Executive Compensation—Compensation Tables"; and
- all directors and all executive officers as a group.

Name and Address of Beneficial Owner(1)(2)	Shares of Common Stock Beneficially Owned	Percent(3)	
Iridian Asset Management LLC(4) David L. Cohen Harold J. Levy 276 Post Road West Westport, CT 06880-4704	6,714,485	9.2	%
The Vanguard Group, Inc.(5) 100 Vanguard Blvd. Malvern, PA 19355	4,291,635	5.9	%
H. F. Baldwin	25,797		
	15,000	(T)	
	40,797	*	
R. C. Cambre	10,000	*	
R. F. Cummings	8,000		
	2,000	(T)	
	10,000		
A. E. Festa	150,517		
	402,619	(O)	
	553,136	*	
M. A. Fox	49,225		
	8,942	(T)	
	58,167	*	
D. H. Gulyas	1,000		
J. K. Henry	3,879	*	
J. N. Quinn	3,879	*	
C. J. Steffen	13,879	*	
M. E. Tomkins	12,000	*	

Name and Address of Beneficial Owner(1)(2)	Shares of Common Stock Beneficially Owned	Percent(3)		
K. N. Cole	2,770	(O) *		
H. La Force III	50,000			
	123,226	(O)		
	173,226	*		
G. E. Poling	136,296	(O)		
	41,813	(T)		
	178,109	*		
M. A. Shelnitz	53,500			
	99,509	(O)		
	9,421	(T)		
	162,430	*		
Directors and executive officers as a group (15 persons)	381,676			
	764,420	(O)		
	77,176	(T)		
	1,223,272	1.7		%

* Indicates less than 1%

(O) Shares covered by stock options exercisable on or within 60 days after February 28, 2015.

(T) Shares owned by trusts and other entities as to which the person has the power to direct voting and/or investment.

The address of each of our directors and executive officers is c/o Corporate Secretary, W. R. Grace & Co.,
(1) 7500 Grace Drive, Columbia, Maryland 21044.

(2) Except as otherwise indicated, to our knowledge, each individual, along with his or her spouse, has sole voting and investment power over the shares.

(3) Based on 72,982,129 shares of Grace common stock outstanding on February 28, 2015.

The ownership information set forth is based in its entirety on material contained in a Schedule 13G/A filed with the SEC by Iridian Asset Management LLC ("Iridian"), David L. Cohen and Harold J. Levy on January 29, 2015. Iridian is majority owned by Arovid Associates LLC. Arovid is owned and controlled by the following: 12.5% by Mr. Cohen, 12.5% by Mr. Levy, 37.5% by LLMD LLC and 37.5% by ALHERO LLC. LLMD LLC is owned 1% by Mr. Cohen and 99% by a family trust controlled by Mr. Cohen. ALHERO LLC is owned 1% by Mr. Levy and

(4) 99% by a family trust controlled by Mr. Levy. Iridian has shared voting and investment power with respect to 6,714,485 shares held in accounts for which it serves as the investment adviser. Messrs. Cohen and Levy may be deemed to possess beneficial ownership of the shares of Common Stock beneficially owned by Iridian by virtue of their indirect controlling ownership of Iridian and having the shared voting and investment power over shares of Common Stock owned by Iridian as joint Chief Investment Officers of Iridian. Messrs. Cohen and Levy disclaim beneficial ownership of such shares.

The ownership information set forth is based in its entirety on material contained in a Schedule 13G/A filed with the SEC by The Vanguard Group, Inc. ("VGI") on February 10, 2015. VGI has sole voting power over 50,149 shares and sole and shared investment power over 4,247,886 and 43,749 shares, respectively.

(5) Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of VGI, is the beneficial owner of 43,749 shares as a result of serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of VGI, is the beneficial owner of 6,400 shares as a result of its serving as investment manager of Australian investment offerings.

Equity Compensation Plan Information

The following table sets forth information as of December 31, 2014, with respect to our compensation plans under which shares of Grace common stock are authorized for issuance upon the exercise of options, warrants or other rights. The only such compensation plans in effect are stock incentive plans providing for the issuance of stock options, restricted stock and other equity awards.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)(2)	Weighted-average exercise price of outstanding options, warrants and rights (\$)(2)(3)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities to be issued upon exercise of outstanding options, warrants and rights) (#)(2)(4)
Equity compensation plans approved by security holders (1)	2,745,239	55.84	5,138,758

(1) The 2000 Stock Incentive Plan was approved by stockholders at an annual meeting of Grace stockholders on May 10, 2000. The 2011 Stock Incentive Plan and the Amended and Restated 2011 Stock Incentive Plan were approved on behalf of Grace stockholders by the Official Committee of Equity Security Holders in the Grace Chapter 11 case and by the U.S. Bankruptcy Court for the District of Delaware on April 8, 2011 and April 16, 2013, respectively. The 2014 Stock Incentive Plan was approved on behalf of Grace stockholders by the Official Committee of Equity Security Holders in the Grace Chapter 11 case and by the U.S. Bankruptcy Court and U.S. District Court for the District of Delaware as part of our Joint Plan of Reorganization which became effective on February 3, 2014.

(2) Under the 2000 Plan, there are 432,969 shares of Grace common stock to be issued upon the exercise of outstanding options, the weighted-average exercise price of outstanding options is \$27.75. Under the 2011 Plan, there are 1,256,860 shares of Grace common stock to be issued upon the exercise of outstanding options, the weighted-average exercise price of outstanding options is \$45.50. Under the Amended 2011 Plan, there are 367,415 shares of Grace common stock to be issued upon the exercise of outstanding options and 107,823 shares to be issued upon completion of the performance period for stock-settled performance-based unit awards (PBUs) (assuming the maximum number of shares are earned in respect of outstanding PBUs), the weighted-average exercise price of outstanding options is \$76.70. Under the 2014 Plan, there are 465,972 shares of Grace common stock to be issued upon the exercise of outstanding options and 114,200 shares to be issued upon completion of the performance period for stock-settled PBUs (assuming the maximum number of shares are earned in respect of outstanding PBUs), the weighted-average exercise price of outstanding options is \$93.39.

(3) The calculation of weighted-average exercise price does not take outstanding PBUs into account.

(4) Amount represents the number of shares of Grace common stock available for issuance pursuant to stock options, restricted stock, PBUs and other awards that could be granted in the future under the 2014 Plan.

Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Securities Exchange Act of 1934, as amended, our directors, certain of our officers, and beneficial owners of more than 10% of the outstanding Grace common stock are required to file reports with the SEC concerning their ownership of and transactions in Grace common stock or other Grace securities; these persons are also required to furnish us with copies of these reports. Based upon the reports and related information furnished to us, we believe that all such filing requirements were complied with in a timely manner during and with respect to 2014.

Related Party Transactions

Our Board of Directors recognizes that transactions involving related persons in which Grace is a participant can present conflicts of interest, or the appearance thereof, so our Board has adopted a written policy as part of the Grace Corporate Governance Principles (which are available on our website at

www.grace.com/en-us/corporate-leadership/Pages/Governance.aspx) with respect to related person

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transactions. The policy applies to transactions involving related persons that are required to be disclosed pursuant to SEC regulations, which are generally transactions in which:

• Grace is a participant;

• the amount involved exceeds \$120,000; and

• any related person, such as a Grace executive officer, director, director nominee, 5% stockholder or any of their respective family members, has a direct or indirect material interest.

Each such related person transaction shall be reviewed, determined to be in, or not inconsistent with, the best interests of Grace and its stockholders and approved or ratified by:

• 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

• the disinterested members of our Board.

In the event a related person transaction is entered into without prior approval and, after review by the Audit Committee or our Board, as the case may be, the transaction is not ratified, we will make all reasonable efforts to cancel the transaction.

In connection with our emergence from Chapter 11, we issued a warrant to purchase 10 million shares of Grace common stock at an exercise price of \$17.00 per share to the WRG Asbestos PI Trust (then a related person of Grace based solely on material contained in a Schedule 13D filed with the SEC by the PI Trust and others on February 11, 2014) and entered into deferred payment obligations to pay \$110 million per year for five years beginning in 2019, and \$100 million per year for 10 years beginning in 2024, to the PI Trust. In September 2014, we paid the PI Trust \$632 million in settlement of the deferred payment obligations and, in February 2015, we purchased the warrant from the PI Trust for \$490 million. For a discussion of transactions between Grace and the PI Trust, see Note 2 (Chapter 11 and Joint Plan of Reorganization) to the Consolidated Financial Statements included in the Grace 2014 Annual Report on Form 10-K.

**PROPOSAL TWO
RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

The Audit Committee of our Board of Directors has selected PricewaterhouseCoopers LLP ("PwC") to be Grace's independent registered public accounting firm for 2015. Although the submission of this matter for stockholder ratification at the Annual Meeting is not required by law, regulation or our By-laws, our Board is nevertheless doing so to determine the stockholders' views. If the selection is not ratified, the Audit Committee will reconsider its selection of PwC for future years.

PwC acted as independent accountants for Grace and its consolidated subsidiaries during 2014 and has been retained by the Audit Committee for 2015. A representative of PwC will attend the Annual Meeting, will be available to answer questions and will have an opportunity to make a statement if he or she wishes to do so.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS GRACE'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2015.

Principal Accountant Fees and Services

The Audit Committee of our Board of Directors selected PwC to act as our principal independent accountants for 2014. The following table sets forth the fees and expenses that we incurred for the services of PwC for the year ended December 31, 2013, and our estimate of the fees and expenses that we incurred for the year ended December 31, 2014:

Fee Description	2014*	2013
Audit Fees	\$3,918,300	\$5,200,900
Audit-Related Fees	205,600	92,100
Tax Fees	146,100	195,000
All Other Fees	38,000	44,000
Total Fees	\$4,308,000	\$5,532,000

*For 2014, amounts are current estimates in respect of services received for which final invoices have not been submitted.

Audit Services consisted of the audit of our consolidated financial statements and our internal controls over financial reporting (as required under Section 404 of the Sarbanes-Oxley Act of 2002), the review of our consolidated quarterly financial statements services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements.

Audit-Related Services consisted of assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not included under "Audit Services" above.

Tax Services consisted of tax advice and compliance for non-U.S. subsidiaries, including preparation of tax returns, and advice and assistance with transfer pricing compliance.

All Other Fees consisted of license fees for access to accounting, tax, and financial reporting literature and non-financial agreed-upon procedures.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has adopted a preapproval policy that requires the Audit Committee to specifically preapprove the annual engagement of the independent accountants for the audit of our consolidated financial statements and internal controls. The policy also provides for general preapproval of certain audit-related, tax and other services provided by the independent accountants. Any other services must be specifically preapproved by the Audit Committee. However, the Chair of the Audit Committee has the authority to preapprove services requiring immediate engagement between scheduled meetings of the Audit Committee. The Chair must report any such preapproval decisions to the full Audit Committee at its next scheduled meeting. During 2013 and 2014, no audit-related, tax, or other services were performed by PwC without specific or general approval as described above. We have been advised by PwC that a substantial majority of the hours expended on their engagement for the 2014 audit of our consolidated financial statements and internal controls were attributed to work performed by PwC's full-time, permanent employees.

Audit Committee Report

The following is the report of the Audit Committee of our Board of Directors with respect to Grace's audited consolidated financial statements for the year ended December 31, 2014, which include the consolidated balance sheets of Grace as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, cash flows, and changes in equity for each of the three years in the period ended December 31, 2014, and the notes thereto (collectively, the "Financial Statements").

The Audit Committee consists of the following members of our Board: Mark E. Tomkins (Chair), H. Furlong Baldwin, Ronald C. Cambre, Robert F. Cummings, Jr., Marye Anne Fox, Diane H. Gulyas, Janice K. Henry, Jeffrey N. Quinn and Christopher J. Steffen. Each of the members of the Audit Committee is "independent," as defined under the NYSE's listing standards and the rules and regulations of the Securities Exchange Act of 1934, as amended. The Audit Committee operates under a written charter adopted by our Board of Directors.

The Audit Committee is responsible for reviewing the financial information that Grace provides to stockholders and others, and for overseeing Grace's internal controls and its auditing, accounting and financial reporting processes generally. The Audit Committee's specific responsibilities include: (1) selection of an independent registered public accounting firm to audit Grace's annual consolidated financial statements and its internal control over financial reporting; (2) serving as an independent and objective party to monitor Grace's annual and quarterly financial reporting process and internal control system; (3) reviewing and appraising the audit efforts of Grace's independent registered public accounting firm and internal audit department; and (4) providing an open avenue of communication among the independent registered public accounting firm, the internal audit department, management and our Board of Directors. The Audit Committee has reviewed and discussed the audited financial statements of Grace for the year ended December 31, 2014 with Grace's management.

The Audit Committee has discussed with PwC, Grace's independent registered public accounting firm, the matters required to be discussed by Auditing Standard No. 16, Communications with Audit Committees, issued by the Public Company Accounting Oversight Board.

The Audit Committee has received the written disclosures and the letter from PwC required by applicable requirements of the Public Company Accounting Oversight Board regarding PwC's communications with the Audit Committee concerning independence and has discussed with PwC the independence of PwC.

Based on the Audit Committee's review and discussions noted above, the Audit Committee recommended to our Board of Directors that Grace's audited financial statements be included in Grace's Annual Report on Form 10-K for the year ended December 31, 2014, for filing with the SEC.

AUDIT COMMITTEE

Mark E. Tomkins, Chair

H. Furlong Baldwin

Ronald C. Cambre

Robert F. Cummings, Jr.

Marye Anne Fox

Diane H. Gulyas

Janice K. Henry

Jeffrey N. Quinn

Christopher J. Steffen

PROPOSAL THREE

ADVISORY VOTE TO APPROVE THE COMPENSATION OF GRACE'S NAMED EXECUTIVE OFFICERS

Under Section 14A of the Exchange Act, our stockholders are entitled to approve on an advisory (non-binding) basis, the compensation of the executive officers named in the Summary Compensation Table set forth in "Executive Compensation—Compensation Tables." This vote is generally referred to as a "Say on Pay" vote. Accordingly, we are asking stockholders to approve, on an advisory basis, the following resolution:

RESOLVED, that the compensation paid to the Corporation's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.

We do not intend that this vote address any specific items of compensation, but rather the overall compensation of our named executive officers and the policies and procedures described in this Proxy Statement. This vote is advisory and not binding on Grace, the Compensation Committee or our Board. However, as the vote is an expression of our stockholders' views on a significant matter, the Compensation Committee will consider the outcome of the vote when making future executive compensation decisions.

The principal components of pay under our 2014 executive compensation program are annual base salary, annual cash incentive awards and long-term incentive awards, which, in recent years, have consisted of both stock options and performance-based units, or PBUs. The performance measures for the 2014 annual cash incentive awards are Adjusted Earnings Before Interest and Taxes (Adjusted EBIT) (weighted 80%) as further adjusted for annual incentive compensation purposes, and Adjusted Free Cash Flow (weighted 20%), calculated as net cash provided by or used for operating activities minus capital expenditures plus the net cash flow from costs related to Chapter 11, cash paid to resolve contingencies subject to Chapter 11, accelerated payments under defined benefit pension arrangements, and expenditures for asbestos-related items. The number of shares of common stock underlying the PBU awards may be increased or decreased based on corporate performance over a three-year period. The performance measure for the PBU awards is Adjusted EBIT growth over the three-year performance period. In 2014, the named executive officers also received special bonuses in connection with Grace's emergence from Chapter 11. We encourage our stockholders to read the Compensation Discussion and Analysis set forth under "Executive Compensation" which describes our 2014 compensation program in detail.

We believe that the information we have provided in this Proxy Statement shows that we have designed our executive compensation program to attract, motivate and retain a highly qualified and effective executive team and to promote long-term stockholder value, strong annual and long-term operational and financial results, and ethical conduct in accordance with the Grace Core Values.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE APPROVAL ON AN ADVISORY BASIS OF THE COMPENSATION OF GRACE'S NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.

PROPOSAL FOUR

ADVISORY VOTE ON WHETHER THE ADVISORY VOTE TO APPROVE GRACE'S NAMED EXECUTIVE OFFICER COMPENSATION SHOULD OCCUR EVERY ONE, TWO OR THREE YEARS

Under Section 14A of the Exchange Act, our stockholders are entitled to indicate how frequently we should seek an advisory vote to approve the compensation of our named executive officers as disclosed pursuant to the compensation disclosure rules of the SEC, including the compensation discussion and analysis, the compensation tables and any related material disclosed in this Proxy Statement. Accordingly, we are asking whether the advisory vote should occur every year, every two years or every three years. Our Board of Directors asks that you support a frequency period of every year (an annual vote) for future non-binding stockholder votes on compensation of our named executive officers.

In making its recommendation, our Board of Directors believes that an advisory vote every year will be the most effective timeframe for Grace to respond to stockholders' feedback and provide Grace with sufficient time to engage with stockholders to understand and respond to the vote results.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR A FREQUENCY OF "ONE YEAR" FOR FUTURE NON-BINDING STOCKHOLDER VOTES TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

PROPOSAL FIVE

APPROVAL OF GRACE'S EXECUTIVE ANNUAL INCENTIVE COMPENSATION PLAN, OR EAICP, INCLUDING THE MATERIAL TERMS OF THE PERFORMANCE MEASURES AVAILABLE UNDER THE EAICP

We are asking for your approval of the Grace Executive Annual Incentive Compensation Plan, or EAICP, including the material terms of the performance measures available under the EAICP, to be effective for 2015 and following years. The approval of the material terms of the performance measures described in the EAICP gives Grace the benefit of the exception for "performance-based compensation" from the annual \$1 million limitation on the U.S. income tax deduction under Section 162(m) of the Tax Code for compensation payable to certain "covered employees," provided the requirements for the exemption are otherwise met. To satisfy the performance-based compensation exception, Section 162(m) requires, among other things, such performance measures be approved by stockholders every five years. Accordingly, we are asking stockholders to approve the following resolution:

RESOLVED, that the Grace Executive Annual Incentive Compensation Plan, or EAICP, including the material terms of the performance measures available under the EAICP, is hereby APPROVED.

The EAICP is a cash-based pay-for-performance incentive plan. Its purpose is to motivate and reward executives for their contributions to our performance. The EAICP is designed to promote the attainment of Grace's performance goals. On February 25, 2015, the Compensation Committee adopted the EAICP, which includes the material terms of the performance measures for future grants of performance-based awards thereunder. Since our executive officers are eligible to participate in the EAICP, they have an interest in the approval of this proposal.

Section 162(m) Requirements

Section 162(m) of the Tax Code limits the deductibility of compensation of "covered employees" to \$1 million per year unless the compensation qualifies as "performance-based." "Covered employees" include the chief executive officer and the three other highest paid executive officers listed in the Summary Compensation Table set forth under "Executive Compensation—Compensation Tables" other than the chief financial officer. Incentive compensation constitutes "performance-based compensation" under Section 162(m) if, among other things, the following four conditions are met.

- the compensation is payable on the attainment of one or more pre-established, objective performance goals;
- the performance goals are established by a committee that is comprised solely of two or more outside directors;
- the material terms of the performance criteria on which the performance goals are based are disclosed to and approved by stockholders before payment; and
- the committee that established the performance goals certifies that the performance goals and other material terms of the award have been satisfied before payment.

We are requesting stockholder approval in order to meet the third requirement listed above.

Summary of the Executive Annual Incentive Compensation Plan (EAICP)

The following summary of the EAICP is qualified in its entirety by reference to the specific provisions of the EAICP, the full text of which is set forth as Appendix A to this Proxy Statement.

Administration. The EAICP is administered by the Compensation Committee. The Compensation Committee selects participants, sets the performance goals and targets, and is responsible for all decisions with respect to payouts. The Compensation Committee may delegate functions under the

EAICP to one or more officers or a committee of officers to the extent permitted by applicable law including Section 162(m) of the Tax Code and NYSE rules.

Eligibility. Eligible employees are the chief executive officer, other executive officers and other executives selected by the Compensation Committee.

Performance Period. Grace's fiscal year or a portion of such fiscal year established by the Compensation Committee.

Limitation of Benefits. No participant may be granted awards under the EAICP greater than \$3 million for any fiscal year, adjusted pro rata for periods shorter than 12 months.

Performance Period, Participant Designation, Performance Goals. No later than 90 days after the beginning of the performance period, or, if earlier, before expiration of 25% of the performance period, the Compensation Committee will determine the performance period, the participants for the performance period and the performance goals for determining the award for each participant.

The Compensation Committee may choose one or more of the following performance criteria:

• basic or diluted earnings per share of Grace common stock;

• Adjusted Earnings Per Share of Grace common stock (diluted earnings per share of Grace common stock adjusted for restructuring expenses and asset impairments; pension costs other than service and interest costs, expected returns on plan assets, and amortization of prior service costs/credits; specified income and expense items related to divested businesses, product lines, and specified other investments; gains and losses on sales of businesses, product lines and specified other investments; and certain discrete tax items);

• Grace common stock price earnings ratio;

• total stockholder return;

• relative total stock return measured against a set peer group;

• sales (including total sales, net sales and gross sales) of Grace or one (or more) of its operating activities;

• revenue, operating income, net income of Grace or one (or more) of its operating activities (in each case, either before or after taxes);

• Grace earnings and/or net income before interest and taxes (EBIT);

• Adjusted EBIT (net income adjusted for: interest income and expense; income taxes; costs related to Chapter 11 and asbestos; restructuring and repositioning expenses and related asset impairments; pension costs other than service and interest costs, expected returns on plan assets, and amortization of prior service costs/credits; specified income and expense items related to divested businesses, product lines, and specified other investments; and gains and losses on sales of businesses, product lines, and specified other investments);

• Adjusted EBIT Return On Invested Capital (Adjusted EBIT (on a trailing four quarters basis) divided by the sum of net working capital, properties and equipment and specified other assets and liabilities);

• Grace earnings and/or net income before interest, taxes, depreciation and amortization (EBITDA);

• Adjusted EBITDA (Adjusted EBIT adjusted for depreciation and amortization);

operating or other expense of Grace or one (or more) of its operating activities;
gross, operating or cash flow margin of Grace or one (or more) of its operating activities;
Segment Gross Margin (gross margin adjusted for pension-related costs included in cost of goods sold);
return on investment (determined with reference to one or more categories of income or cash flow and one or more categories of assets, capital or equity, including return on net assets, return on sales, return on equity and return on invested capital);
total cash flow, net cash flow or free cash flow (each as provided by Grace or one (or more) of its operating activities, investing activities, financing activities or any combination thereof);
Adjusted Free Cash Flow (net cash provided by or used for operating activities minus capital expenditures plus cash flows related to Chapter 11 and asbestos, cash paid for restructuring and repositioning, accelerated payments under defined benefit pension arrangements, and expenditures for legacy items);
economic profit;
gross margins and costs;
market or industry share;
days on hand of inventory;
days sales outstanding;
days payables outstanding;
working capital; or
objectively determined measures for: productivity increases, efficiency, new product releases, customer satisfaction, diversity, safety performance or employee engagement, satisfaction or turnover.

All items to be specified in the definitions in the list of performance criteria above will be so specified by the Compensation Committee when the performance goals are established for the performance period. When the Compensation Committee sets the performance goals, it may provide for an adjustment to reflect (or for the exclusion of) extraordinary items, acquisitions, divestitures, asset impairment, capital expenditures, unusual or non-recurring items, cost and expenses related to restructuring and/or repositioning, costs and expenditures related to Chapter 11, costs and expenditures related to asbestos, cost and expenditures related to legacy environmental matters, material tax law changes and/or assessments and the cumulative effect of tax or accounting changes. The performance goals designated by the Compensation Committee may be expressed with respect to Grace's performance or the performance of one or more subsidiaries, divisions, business segments or business units of Grace, and may be expressed in terms of dollars, rates of growth, absolute levels or percentages or ratios expressing relationships between two or more of the performance criteria, period-to-period changes, relative to business plans or budgets, or relative to one or more other companies or one or more indices. Performance goals may be calculated for a year or a portion of a year.

Determination and Payment of Awards. After the end of the performance period, the Compensation Committee reviews actual performance against the pre-established performance goals and determines the extent, if any, to which the performance goals have been met. If performance goals are not met, the participants do not receive any payments under the EAICP. If performance goals are met, the amount of the payout to the participant may, in the discretion of the Compensation Committee,

be less than the amount otherwise payable to the participant based on the attainment of the performance goals for the performance period. The Compensation Committee may establish factors to take into consideration in implementing its discretion to reduce the amount of a bonus award, including such factors as individual performance and/or one or more of the performance criteria described above. The Compensation Committee, may not, however, increase the amount of an award otherwise payable to a participant based on the attainment of performance goals for the performance period.

Payment of Awards. Awards are payable on or before March 15 of the year following the period for which the performance is measured.

Change in Control. In connection with a Change in Control of Grace (as defined in the executive severance agreement between each executive officer and Grace), which occurs during a performance period, the Compensation Committee shall take action as to awards under the EAICP for such period as it deems necessary and appropriate to treat participants equitably, including modification or waiver of applicable performance goals, performance criteria, performance periods or awards.

Termination of Employment. Generally, a participant whose employment terminates prior to an EAICP payout date will not receive an EAICP payment. However, in the discretion of the Compensation Committee, a participant who has more than three months service during a performance period and whose employment terminates prior to the payout date may receive an EAICP award payment if the employment terminates for any of the following reasons: retirement under a Grace retirement plan; death; disability; reduction in force or job elimination, divestment of the participant's employing unit or other termination not for "cause" (as determined by the Compensation Committee). If a participant whose employment terminates prior to the end of a year receives an EAICP award payment for that year, the amount of the EAICP award payment will generally be prorated for the period of the participant's service during the year and paid at the time the award is paid to active participants. Except in cases of termination of employment due to death or disability, a terminated participant will receive an award for the year of termination only if the performance goals are certified in writing by the Compensation Committee as having been met for the year. In the case of death or disability, the Compensation Committee may grant an award even if the achievement of the applicable performance goals were not met.

Estimate of Benefits

The amount of incentive compensation to be paid to executives under the EAICP depends on Grace's performance, individual participant performance and the determination of the Compensation Committee, which may decrease, but not increase, the size of any award in its discretion. Accordingly, the amount of incentive compensation to be paid under the EAICP in 2016 for the 2015 performance period is not currently determinable. For 2015, six employees, including the five executive officers named in the Summary Compensation Table set forth herein under "Executive Compensation—Compensation Tables," referred to as the named executive officers, are eligible to participate in the EAICP. For the named executive officers, the maximum incentive awards under the EAICP for 2015 are set forth in the table below. The incentive awards are based on a percentage of base salary under the assumption that the performance goals selected by the Compensation Committee are reached by Grace and do not reflect the exercise of discretion by the Compensation Committee to reduce the payout amounts.

New Plan Benefits Table (2015 Estimated Payouts to Named Executive Officers)
2015 Executive Annual Incentive Compensation Plan

Name and Position	2015 Maximum as Percentage of Base Salary (%)	Estimated Possible Maximum Payout (\$)
A. E. Festa Chairman & Chief Executive Officer	250%	2,437,500
H. La Force III Senior Vice President & Chief Financial Officer	160%	800,000
G. E. Poling President & Chief Operating Officer	180%	1,080,000
M. A. Shelnitz Vice President, General Counsel & Secretary	140%	595,000
K. N. Cole Vice President Government Relations & Environment, Health & Safety	140%	490,000
Executive Group (6 persons)	n/a	5,927,500
Non-Executive Director Group (9 persons)	n/a	—
Non-Executive Officer Employee Group (0 persons)	n/a	—

Amendment and Termination of the EAICP
Our Board or the Compensation Committee may amend, modify, suspend or terminate the EAICP in whole or in part at any time or from time to time, subject to any requirement of applicable law, including 162(m) of the Tax Code, and any NYSE rule requiring stockholder approval. No amendments to, or termination of, the EAICP shall in any way impair the rights of a participant under any award previously granted without the participant's consent.

Contingent on Stockholder Approval

The EAICP is effective January 1, 2015, subject to approval of Grace's stockholders, in accordance with Tax Code Section 162(m). Awards under the EAICP are contingent on approval of the EAICP by Grace stockholders and will be null and void if such approval is not obtained.

Federal Income Tax Consequences

Under United States income tax laws, participants will realize ordinary income in the year of receipt of payment under the EAICP. We will receive a deduction for the amount constituting ordinary income to the participant, provided that the EAICP and the award satisfy the requirements of Section 162(m) of the Tax Code and subject to other applicable limitations in the Tax Code. It is our intention that the EAICP be construed and administered in a manner that awards under the EAICP that are intended to meet the exception from Section 162(m) as "performance-based compensation" qualify for such exception. However, the rules governing Section 162(m) are complex and subject to different interpretations. Therefore, there is no certainty that awards intended to constitute "performance-based compensation" will in fact meet that exception from Section 162(m). Further, the Compensation Committee may issue awards under the EAICP that are not intended to meet the exception from Section 162(m). The above discussion does not address any other tax considerations such as state, local, foreign, estate or employment taxes.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE EAICP, INCLUDING THE MATERIAL TERMS OF THE PERFORMANCE MEASURES AVAILABLE UNDER THE EAICP.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Business Performance

In 2014, Grace improved key profitability metrics for the fifth consecutive year. During a volatile global macro-economic climate, Grace continued to grow through product innovation, geographic expansion and integration of bolt-on acquisitions while continuing to improve profitability through value pricing, product mix improvements and ongoing productivity enhancements—all while managing the business to maximize cash flow and return on invested capital.

As a result of these efforts, Grace achieved a number of significant milestones in 2014:

• Sale