

One United
Approach
to Ethics

Ethical and Legal Conduct **Guidelines**

Contents

The Lubrizol Corporate Philosophy	1	Lubrizol's Global Commitment to Ethical and Legal Requirements	18
Letter from J. L. Hambrick	3	Fair Competition and Antitrust	18
Introduction	4	Customers	18
So What is Honesty?	5	Predatory Pricing/Pricing Below Cost	18
So What is Integrity?	5	Price Discrimination	18
Our Responsibilities as Employees	5	Disparagement of Others/Describing Our Own Products.	18
Our Responsibilities as Leaders	5	Tying	18
The Rule of Reciprocity	6	Reciprocity	19
A Simple Test for Ethical Decision Making	8	Exclusive-Dealing Arrangements	19
Basic Policy	8	Competitors	19
Employees and Employment Practices	8	Participating in Industry Associations	19
Employee Privacy	9	Gathering and Using Competitive Intelligence	20
Environmental, Health, Safety and Security	9	Protecting Lubrizol's Competitive Information	22
The Responsibility to Protect	10	Bribes and Kickbacks	22
Corporate Assets	10	The U.S. Foreign Corrupt Practices Act (FCPA) and The Organization for Economic Co-operation and Development (OECD) Anti-Bribery Convention	23
Personal Use of Corporate Assets	10	Foreign Government Officials	23
Confidential Information	10	Facilitation Payments	23
Corporate Information Systems	11	Corporate Review Process	23
Internet	11	Recordkeeping	24
E-mail	11	Gifts and Entertainment – Government Officials	24
Monitoring	12	Outside the United States	24
Copyrighted Materials	12	Inside the United States.	24
Business and Financial Reporting	13	Compliance with Export Laws	24
Corporate Disclosures	13	International Boycotts	24
Quarterly Certification	13	Lobbying and Political Advocacy	25
Business and Financial Reporting and Accounting	13	Political Contributions and Activities	25
Expense Reports	14	Conduct by Persons Acting for Lubrizol	25
Recordkeeping	14	Asking for Help . . . Raising Concerns . . .	
Conflicts of Interest	14	Seeking Clarification	26
Fraternization	14	Consequences	26
Gifts and Entertainment	14	Corporate Contacts	28
Gifts	15	Regional Ethics Leaders	28
Entertainment Expenses	15	Recognizing Our Contributors	30
Purchasing Decisions and Supplier Relations	15	Acknowledgement Form	31
Family and Friends	16		
Annual Disclosure	16		
Employment Outside the Company	16		
Ownership in Other Businesses	17		
Misappropriation of Business Opportunities	17		
Misuse of Confidential Information	17		
Material Information and Insider Trading	17		

The Lubrizol Corporate Philosophy

The strength of Lubrizol is the dedication of its employees to our company, our shareholders and our customers.

We are committed to:

Rewarding shareholders by providing a high return on invested capital.

Providing superior products and outstanding service to our customers.

Investing in research and development to maintain and improve our technical position.

Insisting on honesty and integrity in dealing with customers, suppliers, all third parties and with one another.

Treating each employee with dignity and a sense of worth and supporting open communications with one another.

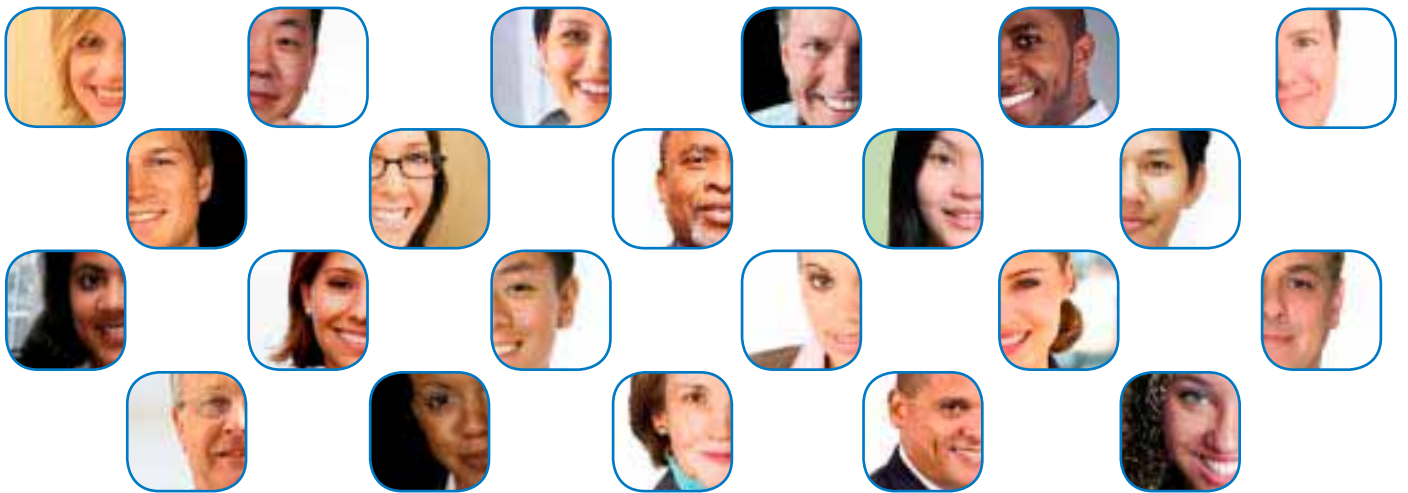
Developing and promoting personnel from within our ranks on the basis of individual performance.

Rewarding employees' efforts through a merit-oriented compensation program.

Maintaining the health and safety of our employees, customers and neighbors and protecting the environment.

IN THESE VALUES WE BELIEVE AND ACT.

Honesty and integrity...essential yesterday, today and tomorrow.



**Have a question or concern? Call the Ethics Helpline
Extension 5000 or
Toll-Free: 866-347-5000**

To My Fellow Employees

As I visit Lubrizol's facilities around the world, I talk about the importance of our Corporate Philosophy and the wisdom of our founders who crafted it. That philosophy and its stated commitments have been essential to Lubrizol's success throughout the years, and its principles have helped me grow personally and professionally during my career.

Our Corporate Philosophy clearly articulates our founders' unyielding commitment to treat all stakeholders — shareholders, customers, suppliers, communities and, most importantly, its employees — with honesty and integrity. The realization of that commitment serves as a unifying factor as we forge "One Company," The Lubrizol Corporation, from multiple business segments. It guides our interactions with others. It fosters individual leadership and self governance. It defines the character of Lubrizol and its global employee community and what we all stand for as a corporation.

Our world is complex. Our challenges are great. And our opportunities are boundless. As you face the inevitable ethical and legal challenges of working in today's global business environment, refer to these guidelines for direction on which road to take. You should also seek additional guidance and support from supervisory employees and regional ethics leaders who have been designated to support us all in these matters.

Honesty and integrity were essential to our founders and are still essential to our current and future success. I believe that we all want to work in an organization where these traits are valued. I am personally committed to our global ethics initiative. The officers of the corporation and our Board of Directors are as well. And we all ask for your commitment in assuring our ethical and legal guidelines are practiced daily.



A handwritten signature in black ink that reads "James L. Hambrick". The signature is written in a cursive, flowing style.

*James L. Hambrick
Chairman of the Board,
President and Chief Executive Officer*

Introduction

Lubrizol's commitment to conduct our daily business activities with honesty and integrity is not in response to government regulations or in reaction to the most recent headlines detailing corporate misconduct. At Lubrizol, insisting on honesty and integrity is how we've managed our business for the past 80 years—we do the right things the right way because we know that, for the long term, approaching our business in this fashion is in the best interest of our employees, our customers and our shareholders.

Our Ethical and Legal Conduct Guidelines are important to who we are as Lubrizol people, in whatever countries we work. You may find that Lubrizol's standards may be more stringent than a particular country's laws. A practice may be permissible and perhaps even legal in some countries, but this does not mean it is acceptable under our guidelines. The fact that our competitors may behave differently is also not an excuse for failing to meet the requirements of our own guidelines. Moreover, a customer or supplier request is not an acceptable reason for circumventing our guidelines.

We share accountability for practicing the guidelines daily. We expect adherence to the guidelines in all of our interactions and will walk away from business we cannot achieve ethically and legally.

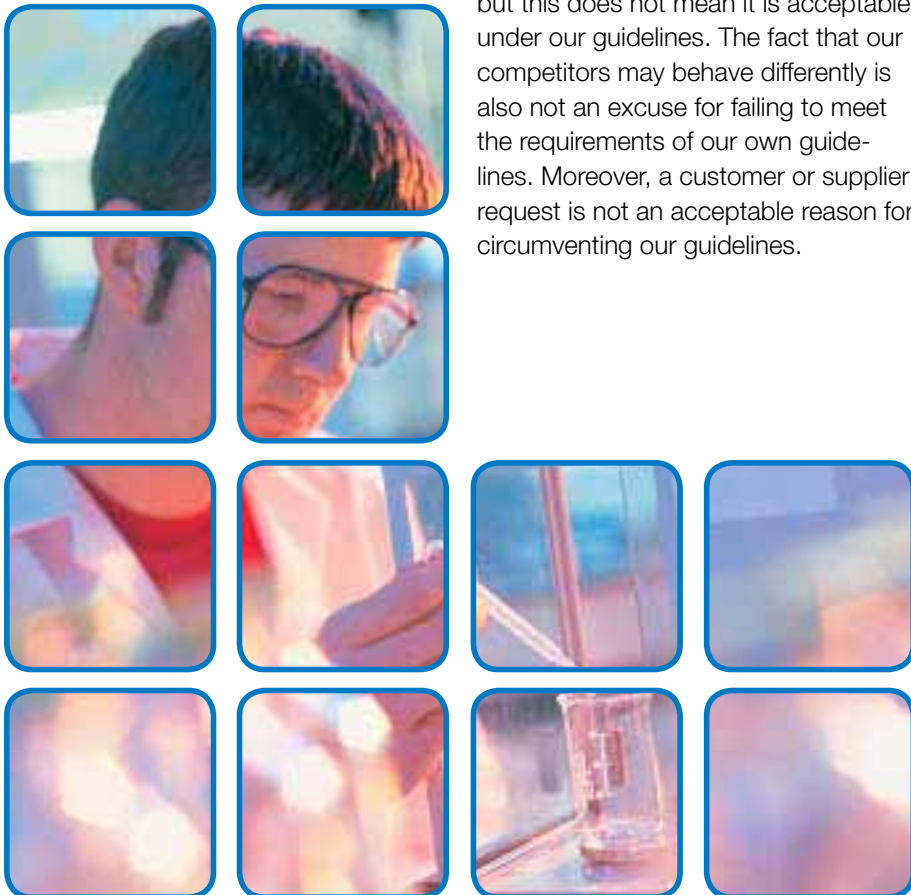
In the following pages, you will find descriptions of expected behaviors that will help you deal with the ethical challenges you may face. But such descriptions, by their very nature, cannot be complete. They are designed to provide guidance and parameters in general business areas and will hopefully enable you to apply that guidance to your specific areas of responsibility.

If you have questions or face challenges or issues where there is no clear path forward, there are resources throughout the organization you can contact. Listings of employees who have been trained to provide you with support are found on pages 28–29.

The bottom line is that we all have a stake in guarding Lubrizol's reputation—it's a reflection of who we are as a company, who we are as a people and who we are as individuals. Jeopardizing the corporation by violating its standards and expectations of behavior will not be tolerated.

Your continued support of our efforts is greatly appreciated.

For the most recent version of the guidelines, please visit the Ethics site on the Lubrizol intranet or go to www.lubrizol.com.



So What is Honesty?

There are two dimensions to honesty: honesty in communications and honesty in conduct.

Honesty in communications

Requires a good faith intent to be truthful, accurate, straightforward and fair in all communications so that persons are not misled or deceived. Honesty in communications requires:

- Truthfulness**
The ethical principle of truthfulness requires the good faith intent to tell the truth. Truthfulness precludes intentional misrepresentations of fact, intent or opinion (dishonesty).
- Sincerity**
Sincerity means that we will not create beliefs or impressions that are untrue, misleading or deceptive, including deliberate omissions, half-truths and out-of-context statements.
- Candor**
In relationships involving legitimate expectations of trust, honesty also may require candor, the obligation to volunteer information that the other person needs or wants to know.

Honesty in conduct

Prohibits stealing, cheating, fraud, deception and other forms of dishonesty or trickery to acquire anything of value (including money, jobs, competitive information or the approval of others).

So What is Integrity?

Integrity is essential to all aspects of ethical behavior. It embraces but means more than honesty. Integrity refers to consistency between principle and practice. Integrity requires us to treat our beliefs about right and wrong as ground rules of behavior and decision-making. It requires us to *walk our talk* and to make decisions consistent with our values, especially our ethical values. Integrity speaks to the character of an individual. There are two aspects to integrity: being principled and having moral courage.

- Principled**
Involves the elevation of principle over expediency or self-interest and requires a consistency between words and actions. You don't just say what you believe about ethics, you show it.
- Moral Courage**
Requires us to do what is right even when it is likely to cost us more than we want to pay and more than we think is fair. It occasionally requires us to stand up and be counted, to fight for our beliefs, to demonstrate the courage of our convictions. Because social, economic and political pressures may make it difficult for us to do the right thing, integrity embodies the idea of moral courage and is considered a fundamental measure of character.

Our Responsibilities as Employees

As employees we are expected to behave honestly and with integrity in all of our business practices. We are obligated

to read and understand our Ethical and Legal Conduct Guidelines and we are expected to comply with both its letter and spirit and help others do the same. Of great importance to the success of our efforts is each individual's responsibility to raise questions, issues or concerns to appropriate personnel when ethical or legal dilemmas arise. If asked to lend our expertise or knowledge to matters under review, it is expected we will cooperate fully, confidentially and to the best of our ability.

Our Responsibilities as Leaders

While all Lubrizol employees are to act with honesty and integrity, business and functional leaders are expected to exemplify the highest standards of ethical business conduct and encourage discussion of the ethical and legal implications of business decisions.

A leader's responsibilities include creating and sustaining a work environment in which employees, business partners, suppliers and contract workers and consultants know that ethical and legal behavior is expected of them. Such an environment requires open and honest two-way communications and being alert to indications that unethical or illegal conduct has occurred.

At all times leaders are to advance, ethically and legally, the interests of Lubrizol. This includes advancing questions related to the interpretation of the guidelines, consulting with designated ethical and legal support personnel when dealing with possible guideline violations and taking appropriate action when it is determined that violations may have occurred.

The Rule of Reciprocity

A basic principle embedded in our
commitment to honesty and integrity is

the Rule of Reciprocity or the Golden Rule.

Found in nearly all religions and philosophies,

its premise is simple: We will treat others

as we would like to be treated.

ZOROASTRIANISM

*That nature alone is good
which refrains from doing
unto another whatsoever
is not good for itself.*

Dadistan-I-dinik 94:5

ISLAM

*No one of you is a
believer until he desires for
his brother that which he
desires for himself.*

**Forty Hadith of
an-Nawawi 13**



TAOISM

*Regard your neighbor's
gain as your own gain and
your neighbor's loss as
your own loss.*

**T'ai Shang Kan ying
P'ien**



BUDDHISM

Hurt not others in ways that you yourself would find hurtful.

Udana-Varga 5:18



CHRISTIANITY

So whatever you wish that men would do to you, do so to them; for this is the Law and the Prophets.

Matthew 7:12

ANCIENT GREECE

We should behave to others as we wish others to behave to us.

Aristotle 325 B.C.



JUDAISM

What is hateful to you, do not to your fellowman. That is the entire Law; all the rest is commentary.

Talmud, Shabbat 31a



HINDUISM

One should not behave towards others in a way which is disagreeable to oneself.

Mencius Vii.A.4



CONFUCIANISM

Surely it is the maxim of loving kindness: Do not unto others what you would not have them do unto you.

Analects 15:23



A Simple Test for Ethical Decision Making

If you are not certain that your actions are proper, a simple way to check is to ask yourself the following questions:

- How would I feel if my family or friends knew of my actions?
- Would I behave differently if I knew my actions would be reported on the evening news?
- Does this meet the “treat others as you would like them to treat you” test?

If the threat of public scrutiny makes you squirm, then your conscience is saying something important. Pay attention. You’re playing with something that could tarnish a reputation — yours and Lubrizol’s.

If in doubt, ask. Talk it out with your supervisor or regional ethics leader.

legally of age to perform such work. As such, we demand a work environment free from exploitation and harassment of any kind and work to protect those victimized by such practices.

Throughout the world we are committed to practices that result in the inclusion of all employees and that advance equal employment opportunity for qualified individuals without regard to race, color, religion, sex, national origin, age, marital status, military service, disability, sexual orientation, ancestry, citizenship, social or economic status. We believe and recognize that all people are unique and valuable and should be respected for their individual abilities and contributions. Wherever we operate we reward employees’ efforts through a competitive merit-oriented compensation program in keeping with local labor relation practices. We strive to provide challenging, meaningful and rewarding opportunities for personal and professional growth. We support, as far as possible, employees’ work-related aspirations through continuing education and professional development offerings.

When the realities of the highly competitive global marketplace make it necessary for the corporation to reassess its organizational structure, Lubrizol will respect the dignity of the

Basic Policy

Employees and contractors of Lubrizol and its subsidiaries, as well as members of The Lubrizol Corporation Board of Directors, must respect the laws, customs and traditions of each country in which they operate. At the same time, these persons are not to engage in any course of conduct that, even if legal, customary and accepted in such country, could be deemed to be in violation of Lubrizol’s Ethical and Legal Conduct Guidelines.

The guideline descriptions that follow each subject heading in this document are not meant to limit the obligation of these persons to follow the highest ethical standards of honesty and integrity. While the guidelines provide a broad range of guidance about the standards of honesty and integrity, no document of this type can address every situation that individuals are likely to encounter nor are the references to the laws intended to be complete. It is the responsibility of all persons subject to

these guidelines to always comply with its contents, exercise good judgment and obtain guidance on proper business conduct when questions regarding ethical or legal matters are raised.

These Ethical and Legal Conduct Guidelines apply to the members of the Board of Directors of The Lubrizol Corporation, officers of The Lubrizol Corporation and all employees and contractors of Lubrizol and its consolidated affiliates.

Employees and Employment Practices

Lubrizol seeks to create a workforce that is a reflection of the diverse populations found in the countries and communities in which we operate. We value the service of all employees and expect employees to be treated with dignity and a sense of worth. We will only employ individuals who apply to work for us willingly and voluntarily and are

The final forming of a person’s character lies in their own hands.

— Anne Frank, German-Jewish diarist and Holocaust victim (1929–1945)

affected employees and ensure they are treated appropriately. We will inform employees quickly and fully on issues affecting them and listen, seek to understand and consider their ideas and concerns.

Employee Privacy

Lubrizol respects employee privacy and has documented practices to safeguard the confidentiality of employee records. The collection, storage, usage and distribution of personal information comply with global data protection legislation including the European Union Data Protection Directive and national regulations if required or applicable. Lubrizol uses personal data strictly to ensure effective operations and will not sell personal data (or give it without an employee's consent) to any other company not performing work on our behalf.

Employees whose jobs include handling personal data must ensure that data is not lost or stolen. When transmission of personal and confidential data to external sources is required, employees should password protect and/or encrypt such data when it is being transmitted.

Questions on our data protection practices should be forwarded to local data controllers, who are listed on Lubrizol's intranet, or the corporate ethics office.

Environmental, Health, Safety and Security (EHS&S)

A fundamental principle of our business is our commitment to protecting our employees and customers, the communities in which we operate and the environment. All employees are re-

sponsible and accountable for superior performance in the health, safety and environmental aspects of their daily work.

The corporation complies with all applicable environmental, health, safety, security, transportation, and product compliance (EHS&S) laws and regulations in countries where we conduct business. As part of our shared accountability, all employees have an obligation to follow company policies and procedures, to actively participate to ensure compliance with regulations applicable to their work, and to report violations and significant EHS&S issues to senior corporate and business staff or their designees.

Employees must never knowingly or arbitrarily act in a manner not in compliance with any governmental regulation or company policy. Such prohibited actions include: 1) deliberately withholding information and reporting false or misleading EHS&S information to company management and third parties, such as customers and regulators; 2) making conscious decisions not to comply or to defer compliance with laws, regulations or Lubrizol policies, standards or procedures; and 3) taking actions or failing to take actions that are detrimental to human health or the environment. If you are uncertain about laws, regulations or Lubrizol requirements, you have specific issues that you wish to discuss or you wish to report suspected violations, contact the legal division or the appropriate corporate senior manager in the EHS&S division.

Lubrizol conducts its business in an ethical, legal and socially responsible manner consistent with the guiding principles of Responsible Care®. Throughout the product life cycle — from our product and process design to the customer's final disposal of the product — we proactively integrate well-founded health, safety and environmental management practices

into our daily operations. We strive to understand all hazards of the chemicals in our manufacturing facilities and the products we sell to our customers and take appropriate preventive and corrective actions, commensurate with risk.

Our approach stresses the efficient use of all natural resources and sustainable development principles, which emphasize meeting the needs of the present without compromising the ability of future generations to meet their needs. We minimize risks inherent to the daily operation of our business and in the design of new chemicals and products intended for sale to our customers. We eliminate processes and substances for which the associated risk cannot be effectively managed.

In addition, the corporation works with our neighbors, customers, suppliers, educational institutions, public interest groups, industry associations and governments worldwide to address a broad range of EHS&S compliance issues. Lubrizol financially supports research on the effects of our products and processes.

The key to continuous improvement is the contribution and commitment of each employee. The manner in which employees perform their job tasks impacts the environment and the health and safety of themselves, other employees, our customers and the communities in which we operate. All employees are expected to perform their jobs safely, maintain high environmental, health, safety, security, transportation and product regulatory compliance awareness and encourage their co-workers to do the same.

The Responsibility to Protect

Corporate Assets

Lubrizol's facilities, equipment, materials, property and other assets have been acquired through the hard work and investment of many stakeholders in the corporation's success: employees, shareholders, customers, suppliers, subcontractors and others. These assets are intended to advance the many interests of the corporation. Employees have perhaps the largest and most immediate interest in that success and the largest obligation to safeguard the assets necessary to achieve it. Though it may not be your specific job to guard equipment, materials and other assets, you should report conditions that threaten the security or condition of corporate property to your supervisor or security personnel. Our global facilities have rules pertaining to

internal security that are critical to the orderly operation of our business. We have a shared accountability to honor the safeguards designed to protect our property, computers, information and the tools and equipment we are entrusted to use.

Personal Use of Corporate Assets

We also must protect and use Lubrizol's assets properly. While employees are occasionally permitted to perform routine personal tasks while at work, such as calling home briefly to check on a child, sending an e-mail message or making a copy for personal use, excessive non-routine and/or expensive use of company time, assets or equipment is not permitted. Anything more than minimal use of company resources for personal purposes must receive prior approval from your supervisor.

Confidential Information

Information is a key asset of many companies, including Lubrizol. While the sharing of information is necessary to meet the needs of our businesses and their employees, all employees are responsible for protecting information belonging either to the corporation or entrusted to it by third parties. Misappropriation of confidential information is easier than ever before with the Internet, telecommunications and ease of global travel. If Lubrizol is to maintain its strength in its position as a world leader, we must prize and protect that information comprising our important intangible assets — patents, copyrights, trademarks, trade secrets and all other types of intellectual property and proprietary information, such as technical information, pricing policies, business and strategic plans, customer lists and profiles, budgets, employee information, organizational charts, manufacturing costs, product specifications, software, information related to litigation and similar information entrusted to Lubrizol by third parties. Because company confidential information is not always marked as such, ask your supervisor if you are not sure.

Access to company confidential information should only be given to employees who have a need to know in order to do their jobs. Release of such information outside the corporation requires proper authorization. Employees should be very cautious when communicating or discussing company business publicly—in restaurants, on airplanes, or on public pay or cellular phones. Extra care must be used when transmitting confidential materials via fax, e-mail or through wireless communications. Public disclosure of confidential information via the Internet (e.g., in chat rooms) is inappropriate, may be illegal and is a violation of these guidelines. The electronic distribution of confidential

A person of character takes as much trouble to discover what is right as lesser men take to discover what will pay.

— Confucius, Chinese philosopher (551–479 B.C.)

documents to customers, suppliers, Lubrizol employees and other authorized recipients should be marked as such and should be made using password protection and other approved tools with appropriate levels of encryption technology when available.

Proprietary information belonging to other companies—either marked with a confidential or other restrictive legend or unmarked—must be given protection against unauthorized disclosure and use consistent with the specific obligations Lubrizol agreed to when it accepted such information. In the absence of specific obligations, third-party proprietary information is to be given the protection against unauthorized disclosure and use that we give our own information. Inappropriate handling of such information could lead to a loss of trust by customers, subcontractors and suppliers alike, as well as subject the corporation to liability for damages.

In your previous employment, you may have learned, or been given access to, proprietary information belonging to your prior employer and its clients or suppliers. You may be obligated to continue to protect any such proprietary information obtained from prior employment. To assist Lubrizol in understanding the full extent of any commitment you may have made to your former employer or other third party, copies of all non-compete, non-solicitation or similar agreements with former employers must be provided to your manager and Lubrizol's legal division.

Every Lubrizol employee has the obligation to protect Lubrizol's and third-party proprietary and confidential information even after he or she leaves the corporation and a duty to keep such information confidential and not share it with future employers or for personal gain.

Corporate Information Systems

Lubrizol's use of information technologies such as the Internet, intranet, extranet, eRoom, e-mail, instant messaging, voice mail, computer work stations, laptops, Blackberries, personal digital assistants (PDAs), cell phones, camera phones, fax machines and teleconferencing enables the sharing of ideas and open discussion for problem solving on a new level.

To maintain the security, integrity and business purpose of our multiple information technologies, employees should never share user accounts or passwords and must take necessary actions to safeguard all passwords and identification codes to prevent unauthorized access to the corporation's information systems.

The corporation encourages use of its information technologies as strategic business and learning tools. When using such systems, it is important to remember that we are visible and recognized as employees of the corporation. Often it is like wearing a Lubrizol badge in a public place or sending out a memo on company letterhead. This means we each have to follow the company values that insist on honesty and integrity and treating others with dignity and a sense of worth.

Employees must treat the Internet and related technologies with the same ground rules used for previous forms of written communication. We conduct ourselves professionally and courteously when using Lubrizol's systems and equipment, whether during or after regular working hours.

Internet

Lubrizol equipment, whether or not it is physically or otherwise connected to the Lubrizol network, is not to be used to visit Internet sites to gather, store or distribute offensive, pornographic, sexually suggestive, discriminatory,

There is a big difference between what you have a right to do and what is right to do.

— Potter Stewart, American Supreme Court justice (1915–1985)

harassing or other inappropriate data or information. Any unintentional contact with such a site requires the user to avoid exposing anyone else to the material, which should be deleted immediately from computer storage.

E-mail

The corporate e-mail system is an important communication tool for supporting and expanding the business interests of Lubrizol. E-mail messages should be composed with the same care you take in composing a company memorandum. While occasional personal use is permitted, employees are not to use the e-mail system to communicate, store or transfer pornographic, sexually suggestive or offensive statements, jokes or other materials; chain letters; or conduct personal activities such as advancing political agendas, running a side business or soliciting for personal fundraisers. The use of profanity, derogatory remarks, discriminating or harassing comments, innuendo and threatening or abusive language is strictly prohibited.

Additionally, any item that may be licensed or copyrighted, such as a music file or software program, should not be transmitted via Lubrizol's e-mail system (for further details, see Copyrighted Materials on page 12).

Monitoring

Lubrizol reserves the right to block offensive, illegal and non-business related sites and to monitor and intercept the entire content of any messages or data transmitted, stored on or deleted from its systems. As with other forms of Lubrizol business correspondence, information obtained from and communication made via information technologies are not private. Monitoring activities, when undertaken, will comply with any statutory requirements.

Attempting to circumvent the monitoring systems by tampering with any Lubrizol systems or altering security access violates the guidelines.

Any employee who receives any inappropriate communications on Lubrizol's systems should delete them. If the communications persist, contact your supervisor, the corporate ethics office or your regional ethics leader immediately.




For additional information on this topic, visit the Ethics site on Lubrizol's intranet and read the annual *Appropriate Use of Information Technologies* document.

Copyrighted Materials

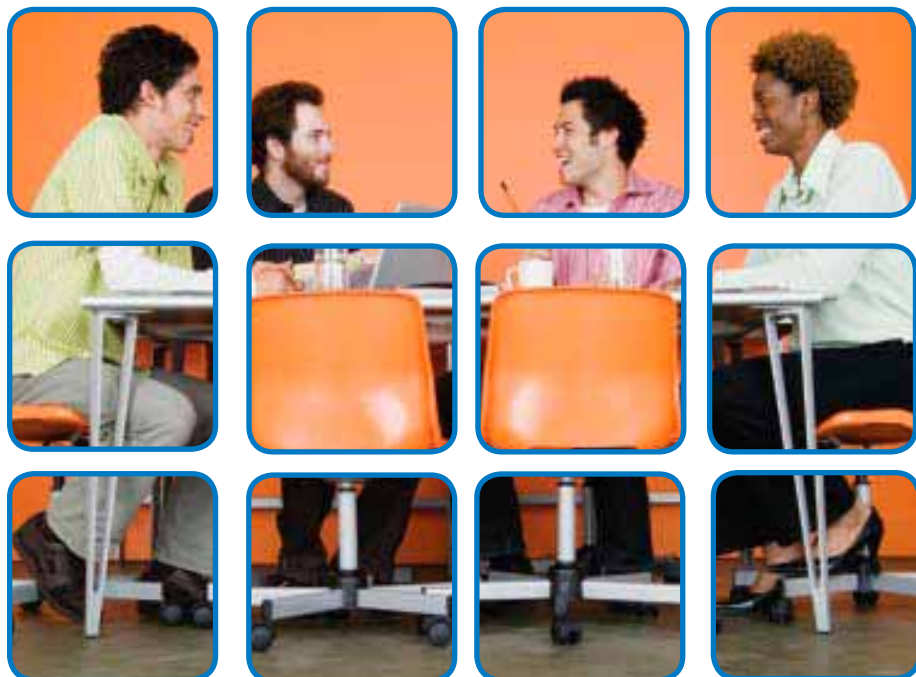
At Lubrizol we are committed to respecting the rights of others (treating others as we would like to be treated), and we are steadfast in the protection of our own intellectual property, patents, trademarks and copyrights. Copyright laws provide the author of a work with the exclusive right to copy, distribute, adapt, sell and perform the work. Copyright law protects the form/presentation of ideas and data, and not the idea or data itself. Such laws exist to varying degrees throughout the world. Many materials that Lubrizol employees use in the course of their work are protected by copyright laws. Some examples include computer software, CD-ROMs, books, audiotapes, videos, DVDs, musical recordings, trade journals, magazines and web sites. Unfortunately, the accessibility of copying machines and computers has made copyright infringement a more common risk. Reproducing, distributing or altering copyrighted materials without a license or the permission of the copyright owner or authorized agent is not allowed.

For example, computer software licensed by Lubrizol must not be illegally copied for personal, company or customer use. Further, it is not permissible to copy excerpts of copyrighted materials for use in editorial or research purposes or for any reason without prior approval of the copyright owner or a licensed right to use. It is also not permissible to copy material on a web site unless the site specifically states it allows the copying of such material. Additionally, it is not permissible to download or save music files or MP3 files or transmit music unless required for business purposes and with prior approval and license.

Lubrizol may have obtained approval for limited copying of material for its employees and contractors if that material is covered by one of the following:

-  a license with the Copyright Clearance Center, which covers the United States and most of the rest of the world in which Lubrizol does business, or Copyright Licensing Authority, which covers Great Britain,
-  a subscription that permits copying, or
-  an agreement with a third party explicitly allowing copying or use of the material.

To verify whether the materials are covered under copying licenses or agreements, employees should contact the Lubrizol Library or visit its intranet site if the material to be copied is in a journal, trade magazine or the like. To obtain permission to use a third party's copyrighted material or to permit a third party to use Lubrizol's copyrighted material, please contact the Lubrizol legal division.



The way to gain a good reputation is to endeavor to be what you desire to appear.

Socrates, Greek philosopher (469-400 B.C.)

Business and Financial Reporting

Lubrizol strives to meet reasonable requests for information. We voluntarily publish reports on our health, safety, environmental and security activities and performance, and share information about our guidelines on ethical and legal conduct. We maintain close and honest relationships with the financial community and the media, regularly and willingly informing them about significant developments. As such, complete, accurate and timely records are essential to effectively manage Lubrizol.

Corporate Disclosures

As a public company, The Lubrizol Corporation is required to file various reports with the U.S. Securities and Exchange Commission (SEC). It is Lubrizol's policy to make full, fair, accurate, timely and understandable disclosure in reports and documents it files or submits to the SEC and in other public communications made by Lubrizol. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Corporate Controller and every other officer of Lubrizol are required to promote compliance with this policy by all employees and to abide by Lubrizol's standards, policies and procedures designed to promote compliance with this policy.

Quarterly Certification

In 2002, the United States enacted the Sarbanes-Oxley Act (SOX) to promote financial and accounting reform. This law was a response to U.S. corporate accounting scandals and calls for increased emphasis on accurate quarterly reporting. Lubrizol strengthened its procedures accordingly. The CEO and CFO are required to certify personally to the accuracy of Lubrizol's financial disclosures as well as the adequacy of its internal controls with each quarterly filing with the SEC.

We obtain quarterly representation letters from all facility and subsidiary general managers and finance managers, all Lubrizol vice presidents and several other levels of management to assist in the preparation of Lubrizol's financial statements and to support the CEO's and the CFO's certifications to the SEC.

Business and Financial Reporting and Accounting

Certain legal reporting requirements, such as SOX, also demand that Lubrizol's books and records accurately reflect corporate transactions. SOX legislated compliance with many of the internal control processes that Lubrizol already had adopted within its own environment. SOX went further and required more far-reaching documentation and compliance requirements.

While the finance division takes the lead in establishing and testing many of the internal controls within our organization, it is the duty of every Lubrizol employee to make sure that our internal control processes are effective and consistently followed.

Information must be recorded and reported with honesty and integrity. This includes accurate recording of:

- time worked;
- business expenses;

- accounting transactions in our financial statements;
- research, engine and other test results;
- production data;
- emissions to the environment; and
- all other business-related activities.

Accurate and reliable internal records and reports are critical to the corporate decision-making process and for ensuring proper compliance with Lubrizol's financial, legal and reporting requirements. Financial records must accurately reflect transactions and conform with generally accepted accounting principles and Lubrizol's financial policies. In addition, employees must comply with local statutory reporting requirements. No accounting entries may be made on the company's books and records that intentionally hide or misrepresent the true nature of any transaction. If an unintentional error is discovered, it must be corrected openly and promptly. Employees are expected to record or process all financial transactions on the books and records of Lubrizol in a timely manner.

All disbursements and payments to third parties should be supported with appropriate and valid invoices, receipts, expense reports, contracts or related documents. No undisclosed or unrecorded funds or assets may be established. No customer or distributor is to be overinvoiced to create funds for any unlawful or improper use or for any other reason. Conversely, no customer or distributor is to be underinvoiced so as to facilitate avoidance of import or customs duties or sales tax.

Expense Reports

In regard to expense reports, employees are required to follow the provisions of the separately published policy on travel and entertainment expenses. If you have any questions, contact the finance division or go to the global travel and entertainment policy found under Policies on the Lubrizol intranet. All expenses must be supported by appropriate and valid receipts. Items expensed must accurately reflect the service or goods provided for which reimbursement is being requested.

Recordkeeping

Properly maintaining corporate records is also very important. To address this concern, controls have been established to assure that records are maintained for required periods and that records no longer needed are destroyed on a timely basis. Record retention schedules should be reviewed regularly and followed consistently. If you have any questions regarding record management, please visit the records management site on the intranet or contact the manager, records management in Wickliffe.

People of character do the right thing, not because they think it will change the world but because they refuse to be changed by the world.

— Michael Josephson

Conflicts of Interest

A conflict of interest arises when the personal interests or activities of an employee appear to or may influence that employee's ability to act in Lubrizol's best interests. We have a shared accountability to act solely in the best interest of Lubrizol to the exclusion of personal preference and private gain. A conflict of interest situation can arise when we make purchasing decisions based on our self-interest rather than Lubrizol's, when we take on outside work that makes it difficult for us to perform our Lubrizol work objectively and effectively or when we engage in relationships (whether romantic or personal) that might impair an employee's independence or judgment. Conflicts of interest also arise when we or members of our family receive personal, unearned benefits as a result of our position in the corporation. It is impossible to list every situation where such conflicts could occur, but the following guidelines may help you determine whether or not certain actions are conflicts of interest. These guidelines are intended to be restrictive.

Any transaction or relationship that could potentially result in a conflict of interest must be disclosed to your supervisor, the corporate ethics office or one of the regional ethics leaders.

Fraternization

At Lubrizol a great deal of importance is placed on teamwork. To build strong teams, fair and consistent treatment is required or team morale will suffer.

When there is a personal, romantic relationship between a supervisor and his/her subordinate, it can create a perception that one employee might receive preferential treatment or favoritism.

Therefore, a supervisor may not date or have a romantic relationship with an employee who reports through

his or her management chain, even when the relationship is voluntary and welcome. Such relationships might unduly influence sound, objective business or personal decisions. If such a relationship should develop or exist, it is the responsibility of the supervisor to disclose such relationship to his or her immediate supervisor for review and resolution.

Gifts and Entertainment

Lubrizol's guidelines on gifts and entertainment apply to anything given as a result of a business relationship for which the recipient does not pay fair market value. This includes such things as travel, lodging, goods, services and entertainment. The guidelines apply at all times; they do not change during traditional gift-giving or holiday seasons or during the planning of a company event. Building good working relationships with customers and suppliers is an important aspect of doing business and getting to know one another socially can be an important part of the process. Business gifts and entertainment are courtesies designed to build understanding and goodwill among business partners. In some cultures they play an important role in business relationships. The problem arises when they begin to compromise—or even appear to compromise—our ability to make objective and fair business decisions. Offering or receiving any gift, gratuity or entertainment that might be perceived to unfairly influence a business interaction involves you in a conflict of interest situation.

For this reason, Lubrizol requires moderation and discretion in the use and acceptance of gifts, entertainment and other courtesies. These should be offered and accepted only where appropriate and reasonable; they may not be offered or accepted where prohibited by law, policy or regulation or where the appearance of impropriety

may occur. Employees have an obligation to exercise a high level of ethics and propriety in conducting business and to act solely in the best interest of the corporation when dealing with business associates.

Gifts

While Lubrizol generally discourages the offering and accepting of gifts, it is recognized that under certain circumstances such practices may be appropriate. Gifts of nominal value, or normal business sales promotion items, may be offered or accepted if they are customary in the trade and would not cause, or appear to cause, the donor to be embarrassed or the recipient to be obligated.

For purposes of these guidelines, gifts are considered nominal if they do not exceed, in the aggregate, U.S.\$100 in retail value received from any one individual/entity in any one calendar year. When local customs or other circumstances make it very difficult or embarrassing for an employee not to offer or accept a gift with a value in excess of U.S.\$100, the employee must report the acceptance or the offering of the gift to his or her immediate supervisor. This is particularly true when you are a guest in another country, and the gift is something from that country offered as part of a public occasion. Likewise, in some circumstances, Lubrizol may offer a gift as a part of a public occasion. Such gifts must be approved in advance, accurately and completely accounted for and reported on company books and records. Depending on the value of the accepted gift and circumstances, the gift may become company property.

Gifts received or won while an employee is participating in an event as a representative of the corporation are also subject to these guidelines. A gift to an employee's spouse, partner or other family member is also consid-

ered to be a business gift subject to our guidelines. Nominal gifts should not be mailed to or received at one's home. Personal discounts and price reductions generally not available to others are considered gifts. Under no circumstances are employees to solicit personal gifts, cash, cash equivalents, loans, travel or personal discounts from Lubrizol business contacts.

All Lubrizol locations and employees are asked not to send gifts to other Lubrizol locations or employees to thank them for services or assistance provided. Additionally, locations and employees are not permitted to expense such items if purchased. Items purchased as gifts for large divisional/departmental meetings or conferences, project teams, etc. are excluded from this restriction.

Entertainment Expenses

Business entertainment (including meals, golfing, lodging and transportation) should be reasonable and appropriate for the occasion. Good judgment must be exercised, and entertainment must not appear unusual, lavish or extravagant as viewed by an objective third party. A legitimate business purpose for all entertainment must exist and, if an employee expense report is to be filed, appropriate documentation supporting the expenses must be provided.

To avoid the appearance of an obligation or of improper influence, if a ticket to the theater, concert, sporting event or similar event is offered, both the employee and the supplier/vendor must be present at the event.

Offering and accepting invitations that require travel and extended guest status such as golfing, skiing, sporting events, fishing and hunting are rarely appropriate. Exceptions can be granted in special circumstances but require advance approval of segment or division management. Transportation

to the event, lodging for the event and meals not directly provided in conjunction with the event must be expensed to Lubrizol by the employee.

Purchasing Decisions and Supplier Relations

Personal conflicts of interest must be avoided when making purchasing decisions. Whether you are purchasing office supplies, production equipment or raw materials or requesting travel arrangements or hotel accommodations, such decisions must be made with Lubrizol's best interests in mind and without the appearance of an actual or potential conflict of interest.

When dealing with, influencing or making decisions affecting suppliers, employees must be careful not to inadvertently obligate either themselves or the corporation to a supplier. When conducting business with suppliers, employees are expected to act fairly, objectively and in Lubrizol's best interest at all times. We are committed to making purchasing decisions based on need, price, quality, service and supply capabilities. In practice, this means no employee will accept or solicit any benefit from a supplier or potential supplier that might compromise—or even appear to compromise—his or her objective assessment of the supplier's product. Such benefits would include personal gifts, cash, cash equivalents, loans, travel, personal discounts, employment offers for family or friends, or anything else of other than nominal value. All invoices submitted by a supplier or vendor must be in writing with sufficient and accurate descriptions of all services rendered and applicable charges. No employee will require suppliers to give up trade with our competitors or require suppliers to buy our products to retain their supply agreements with us. No employee will pressure another employee to make a purchasing decision motivated by that

employee's personal self-interest. To avoid even the appearance of putting pressure on suppliers, no Lubrizol employee will solicit or accept gifts of merchandise or services from suppliers for company events or charitable activities.

Lubrizol employees must respect and protect any confidential or proprietary information a supplier shares with us. We also should not hesitate to let our suppliers know we expect them to do likewise.

Family and Friends

While conflict of interest guidelines are not intended to unduly interfere with employees' families or personal lives, there are situations where the actions of family members and close personal friends may constitute a conflict of interest for the employee. A conflict of interest could arise if you, your spouse, a relative, a former or current co-worker or a close personal friend have a personal stake in a company that supplies or seeks to supply goods or services to Lubrizol, is a Lubrizol customer or potential customer, or competes with Lubrizol. If such situations exist, you should follow the standards listed below:

- If you, your spouse, a relative, a former or current co-worker or a close personal friend is an employee of, or has a financial interest in, a business that provides or is seeking to provide goods or services to Lubrizol, you must not attempt to use your position with Lubrizol to influence the bidding process or negotiation in any way. If you are directly involved in supplier selection or purchasing functions, you must declare this conflict of interest to your manager immediately and be removed from the decision-making activity. Simi-

larly, you must not use personal relationships to improperly influence dealings with a customer or potential customer.

- If you have a relative or friend who works for a competitor, you should make your manager aware of the situation. Potential problems then can be discussed.

Annual Disclosure

Annually, Lubrizol requests that certain management and other employees make representations relating to potential conflicts of interest. As a company, we must ensure that all transactions are at "arms length"—that all potential parties to a transaction have an equal opportunity to conduct business with Lubrizol.

The representation states that the company (entity/subsidiary/division) has not purchased any goods or services, or had any other transaction with a party who is related to either the purchasing decision maker or a member of the company's management team. A related party is defined as an individual (or a business entity which that individual owns or is employed by) who is: (1) a current or former employee of Lubrizol or a subsidiary; (2) related by blood, marriage or cohabitation to a current or former employee of Lubrizol or a subsidiary; or (3) serves or has served as a director of Lubrizol or a subsidiary.

All transactions that meet these criteria must be disclosed regardless of materiality. Disclosure does not necessarily represent an inappropriate business relationship or transaction. If the disclosure is found to be conflicting, appropriate action will be taken to ensure proper compliance. If a new conflict arises after an annual disclosure has been submitted, it is the employee's obligation to disclose such conflict to the corporate ethics office.

*There is no pillow so soft
as a clear conscience*

— French proverb

Employment Outside the Company

While Lubrizol has no desire to unnecessarily interfere with the personal lives of its employees, certain employment situations outside Lubrizol raise potential conflict of interest situations. In some cases, Lubrizol employees may be involved in outside businesses that are not Lubrizol competitors or suppliers or may hold political office or serve on civic boards. These situations do not necessarily constitute conflicts of interest, but it is the employee's responsibility to ensure that this activity does not conflict with Lubrizol's interests. This requires keeping the two activities strictly separate by:

- not doing work related to the other organization during Lubrizol work hours;
- not using Lubrizol proprietary information, equipment and supplies, or the time of any Lubrizol employee for your outside work;
- not promoting products or services from an outside business to other Lubrizol employees during working hours;
- not attempting to sell products or services from an outside business to Lubrizol; and
- not using your Lubrizol employment or your position in the company to promote an outside business.

Other employment situations clearly give rise to a conflict of interest and should be avoided. They include requests to serve as directors or officers of for-profit entities, or consultants or employees for any organization that supplies goods or services to Lubrizol, buys goods or services from Lubrizol or competes with Lubrizol. Individuals must not accept such work without appropriate segment or division management approval. For officers seeking to serve on for-profit boards, CEO/Lubrizol Board of Director approval is required. Additionally, employees may not act as consulting or testifying expert witnesses at the request of third parties without prior approval by the Lubrizol legal division.

Ownership in Other Businesses

Lubrizol employees should not own, directly or indirectly, a financial interest in any business entity that does or seeks to do business with or is in competition with Lubrizol unless specific written approval has been granted in advance by the general counsel. As a guide, financial interest is defined as ownership by an employee and/or family member(s) of more than 1% of the outstanding securities/capital value of the business entity.

Misappropriation of Business Opportunities

In some cases, Lubrizol may be interested in business or investment opportunities identified by an employee or made known to an employee as a result of one's contact with customers or suppliers. In such cases, an employee is expected to advise management of such opportunities or investments before acting on them privately.

Management is responsible, when learning of such opportunities or investments, to consult with the appropriate Executive Council member for review

and authorization for the individual employee to proceed with the opportunity or investment.

Misuse of Confidential Information

As an employee, you probably have access to information that Lubrizol considers proprietary. Because third parties may seek to profit improperly from your access, it is important not to use or disclose proprietary information except as authorized by the corporation and to provide adequate safeguards to prevent loss of such information. Lubrizol's proprietary confidential information used to advance an employee's personal business interests would constitute a conflict of interest, even if developed by the employee either within or outside the employee's area of responsibility.

Material Information and Insider Trading

Lubrizol employees have access to information that investors outside the corporation do not have. An employee must not make investment decisions or influence anyone else's investment decisions regarding company stock or the stock of any company with which we do business while in possession of

material inside information. Investment decisions include transferring in and out of The Lubrizol Stock Fund in the Profit Sharing and Savings Plan. Insider trading means buying or selling shares or other securities while in the possession of confidential material information about Lubrizol, its customers or suppliers. Material information is information that would be important to a reasonable investor in deciding whether to buy, sell or hold stock including non-public information about Lubrizol's earnings, new products, pending mergers or acquisitions, alliances, partnerships or business gains or losses.

Insider trading is both unethical and illegal. It is unethical and may be illegal to pass on to anyone non-public material information that comes to your attention in the course of your employment other than in the necessary course of business. Everyone should be careful not to disclose any non-public information to family members or friends. Employees who involve themselves in insider trading (either by personally engaging in trading or by disclosing confidential material information to others) are subject to immediate termination and may be subject to prosecution.

The ultimate measure of a man is not where he stands in the moments of comfort and convenience, but where he stands at times of challenge and controversy.

— Dr. Martin Luther King, Jr., American civil rights leader (1929–1968)

Lubrizol's Global Commitment to Ethical and Legal Requirements

Lubrizol wants to earn business on the basis of the superior value it provides through its services, products and prices, not through improper, unethical or questionable business practices. As a global corporation, Lubrizol has a longstanding tradition of insisting that its business be conducted in an ethical and legal manner. Being a global corporation means understanding and complying with legal requirements in different countries, with the bottom line being that all activities must comply with our corporate philosophy of insisting on honesty and integrity in dealing with customers, suppliers, all third parties and with one another.

Lubrizol employees conducting business internationally are required and expected to comply with all applicable laws and regulations. Compliance with such laws and with our Ethical and Legal Conduct Guidelines is required even if it seems inconsistent with global practice or appears to place the corporation at a competitive disadvantage. The fact that our competitors may behave differently is not an excuse for failing to meet the requirements of these guidelines. Moreover, a customer or supplier request is not an acceptable reason for circumventing our guidelines.

In matters of conscience, the law of majority has no place.

— Mahatma Gandhi,
Indian Nationalist Leader
(1869–1948)

Fair Competition and Antitrust

Customers

It is Lubrizol's policy to make its own independent decisions concerning what products and services to offer, where and how to offer and produce them, how much to charge for them, and Lubrizol makes its decisions without any consultation or notice to any customer. It is never appropriate to discuss the pricing to one customer with a competitor of that customer or be influenced by one customer as to our offering price to another.

Certain activities with respect to customers, such as pricing below cost, price discrimination, exclusive dealing, requiring tie-in sales or disparaging a competitor's products or services can raise serious antitrust issues. This section describes these practices generally and identifies those situations where it is important to consult with the legal division before taking action.

Predatory Pricing/Pricing Below Cost

Predatory pricing arises where below-cost pricing is intended to drive out smaller rivals and allow the firm to control market pricing of its products. Antitrust rules in this area are very complex and you are encouraged to contact the legal division when pricing below cost questions arise.

Price Discrimination

Another pricing practice that may raise antitrust or regulatory concerns is discriminating in price, promotional allowances or services between different purchasers of the same or similar goods or offerings. In some circumstances, a court may look to the "net" price of a product sold to different purchasers after deducting the value

of incentives, allowances and other services. On the other hand, the law provides defenses for discriminatory prices that are necessary to compete. Also, there are many situations when a different price to another customer(s) is legally justified, such as where the sales volume is substantially different or the product or customer(s) is participating in a different business or economic market. Here again, discriminatory pricing law is very complex and you should contact the legal division whenever any of our prices could be regarded as discriminatory.

Disparagement of Others/ Describing Our Own Products

Although we can compare our products and services to those of our competitors, we must be careful in our day-to-day marketing contacts with our customers not to make untrue comments or comparisons about our rivals' products or services. It is legally permissible to explain to customers the negative aspects of a competitor's products and services as long as the description is not misleading and is relevant to the particular sales situation. Our own products must always be accurately represented to our customers.

Tying

Tying arrangements occur when a seller requires a buyer who desires one product (or service) — called the tying product — to purchase a second product (or service) that the buyer may not desire — called the tied product — as a condition of purchasing the first product. If the seller has a very strong market position in the tying (or desired) product and could cause an adverse competitive impact on the market for the tied product, the seller risks a charge that the arrangement constitutes an illegal tying arrangement. On the other hand, it is generally accept-

able to offer a combination of products and services in a sales offering in order to establish added value for the customer and to make the offering as a whole more attractive. It is strongly suggested that the legal division be consulted in advance of such offerings to discuss any potential arrangements that might be considered illegal.

Reciprocity

Reciprocity means agreeing to buy the products or services of a supplier on the condition that the supplier also agrees to buy products and services from us. A company with great buying power in a particular market should be particularly careful to avoid using that buying power to coerce its suppliers to buy its products and services. However, in many cases reciprocal arrangements may be legally acceptable because they are beneficial to and desired by both parties. The legal division should be consulted prior to entering into reciprocal arrangements.

Exclusive-Dealing Arrangements

Exclusive-dealing arrangements include contracts in which a buyer agrees to purchase all of its requirements for a particular product or service from one supplier. Often such arrangements may be permissible under the antitrust laws and the courts have recognized that they can be pro-competitive — as, for example, when the agreement is for a reasonable duration and the buyer benefits by stabilizing the price it pays or by assuring availability. If there are questions on the legality of an exclusive-dealing arrangement, such arrangements should be cleared with the legal division in advance, because they may, in certain circumstances, unreasonably reduce competition.

Competitors

United States antitrust laws, the European Union Competition Law and the laws of many other countries are designed to preserve a competitive economy and to promote fair and vigorous competition. A person or company purchasing goods in the marketplace should be able to select from a variety of products at competitive prices that are unrestricted by artificial restraints such as price fixing, illegal monopolies and cartels, boycotts and tie-ins. Lubrizol believes in open and fair competition and is committed to conducting its business throughout the world in compliance with these laws.

It is Lubrizol's policy to make its own independent decisions concerning what products and services to offer, where and how to offer and produce them, how much to charge for them, and Lubrizol makes its decisions without any consultation or notice to any competitor. As such, discussion of any of the following subjects with competitors (either directly or through an intermediary), whether relating to Lubrizol's or the competitor's products, is prohibited without the express approval in advance by the legal division:

- past, present or future prices
- pricing policies
- bids
- discounts
- promotions
- profits
- costs
- terms or conditions of sale
- royalties
- warranties
- choice of customers
- territorial markets
- production capacities or plans
- inventories

The best way to keep good acts in memory is to refresh them with new.

— Francis Bacon, English philosopher and statesman (1561–1626)

Special caution must also be taken when dealing with suppliers that are also competitors.

The above does not apply to discussions with a competitor that are for the sole purpose of co-producer sales or purchases. In such discussions, however, care must be taken to avoid any discussions concerning the division of selling or producing territories.

As stated earlier, it is never appropriate to discuss the pricing to one customer with a competitor of that customer or be influenced by one customer as to our offering price to another.

An antitrust violation, even in connection with a minor transaction, can have severe consequences for individuals, including imprisonment, and can result in major financial penalties and loss of reputation for Lubrizol. As antitrust and competition laws are very technical and vary from country to country, questions about these laws should be directed to the legal division.

Participating in Industry Associations

Lubrizol belongs to a number of industry and trade associations. Because such associations bring competitors together to discuss issues of concern to our industry, contact with competitors at such meetings is unavoidable. Although these contacts are constructive in many ways, they are not immune from antitrust laws. In fact, there have

been a number of times when antitrust violations have been found to have occurred through improper trade association activities. Employees should adhere to the following guidelines and assure that the industry or trade association:

- has well defined, constructive objectives and programs that are designed to promote the overall interest of the industry and the public;
- consists primarily of standing committees with specific and limited functional purposes. Activities concerned with pricing or marketing Lubrizol products, services or equipment, or those of its consolidated affiliates, must be scrupulously avoided;

- maintains various procedural safeguards applicable to the structure and operation of committees;
- retains counsel to help ensure full observance of its policies and procedures and to provide guidance and protective advice from an antitrust standpoint; and
- limits contact to situations that do not violate—or even appear to violate—antitrust principles.

If at any trade association meeting you become aware of any formal or informal discussion regarding prices, discounts, exclusion of members, terms and conditions of sale, refusal to admit members or to deal with a customer, or standardization among members of terms of sale, you should promptly leave the meeting and immediately bring the matter to the attention of the legal division so that Lubrizol’s proper behavior can be documented.

Employees who serve as committee members or who participate in industry associations should know about potential antitrust issues to avoid actions or discussions that might raise questions. When you have questions, always contact Lubrizol’s legal division for guidance.

Gathering and Using Competitive Intelligence

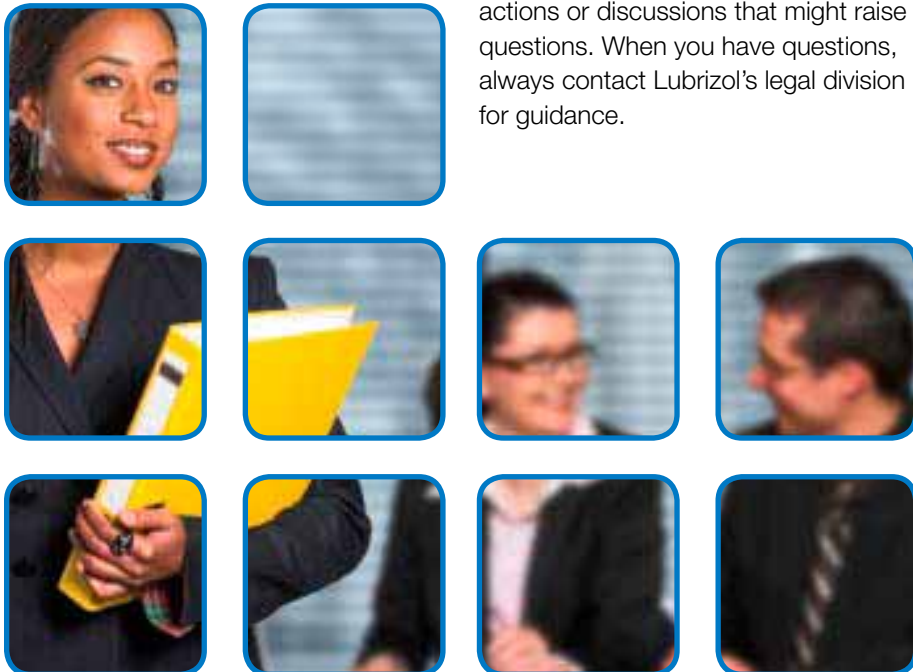
This section of the Ethical and Legal Conduct Guidelines deals with seeking, receiving and using information about Lubrizol competitors that may come to us from customers, agents, suppliers, or others in the marketplace or government. Please note that this section does not deal with contacts or information exchanges directly with competitors. Many of those contacts and exchanges are expressly prohibited by law and our ethical guidelines. That subject is separately addressed in the section titled “Fair Competition and Antitrust—Competitors”.

In general . . .

Our company needs accurate information about the activities of our competitors, and it is part of the job of our employees to obtain it. These guidelines are not intended to discourage you from gathering it. To the contrary, you are affirmatively encouraged to gather such information. This is especially true of those who work in the commercial divisions of the corporation.

At the same time, the laws of many countries forbid the theft of confidential business information and trade secrets. Some methods of information gathering are prohibited specifically and other methods, while technically not illegal, are clearly unethical under our Lubrizol standards (e.g., eavesdropping, bribery, looking for discarded documents in trash bins, secretly tape recording a conversation with a customer, removing documents or information from the office of a third party, etc.)

But there are many ways to gather and receive information about competitors that are legal, ethical and encouraged. These guidelines are intended to help you make good judgments when you have the opportunity to receive



information. You are urged to review them frequently if you work in a position that places you in contact with customers, suppliers, agents or others in the marketplace with information related to our competitors.

As it is impossible to anticipate every situation that may arise, it may be necessary to consult with the legal division or the corporate ethics office before deciding to take custody of information, before communicating it to others within our corporation or before making any use of it. It is always appropriate and you are encouraged to seek advice from these offices, even if you are reasonably certain that an appropriate method has been used to obtain information.

The message is: Do gather and obtain information relating to competitors (but not from competitors themselves). And pay attention to these policy guidelines when you do.

Specifically . . .

It is appropriate and you are encouraged to ask customers and suppliers if there is any information about competitors that they are free to share with Lubrizol. But it is important when asking to state also that Lubrizol does not want to encourage any disclosure that would interfere with any contractual obligations the customer or supplier might have or that would place the offering person's position in jeopardy if they were to supply it.

When a third party (often a customer or supplier) offers information about the activities of a Lubrizol competitor, including information about the price of a competitor's product, product brochures or MSDS sheets, the information may be received and communicated to others within Lubrizol without clearance by the legal division or the ethics office unless:

1. The offering party asks for or implies that it expects to be compensated for the information. "Compensated" includes requests for cash, gifts, discounts on purchases, employment offers, travel and entertainment expenses or activities, etc. If such a request or implication is made, the information must be declined.

2. The information is offered in the context of a discussion or interview pertaining in any way to the possible employment of the offering individual(s) by Lubrizol or the individual's family members or associates. In other words, if the individual indicates the information is being offered in exchange for employment consideration, the information must be declined.

3. The offering party states or implies that sharing the information with us will be a breach of the individual's company's own policies. While we are not responsible for the ethical standards of others, we will not knowingly participate or encourage a breach of another company's policy. If this is the case, the information must be declined.

4. The information is contained in a document marked or stamped "confidential." If this is the case, two actions must be taken by the Lubrizol employee who is offered the document before any use or communication of the document is made:

• Our employee must ask the offering party whether, to his/her knowledge, the document is covered by a secrecy agreement between the competitor and the offering party's company. If the offering party is uncertain or

says that it is or probably is, the document must be declined. This is so because acceptance of the document with such knowledge could be interpreted as theft, as well as a violation of our own ethical policy against encouraging or participating in the breach of written contracts between third parties.

• If to the knowledge of the offering party, it is not covered by a secrecy agreement, the document may be received but must be submitted to a legal division attorney for review, clearance or further action prior to any copying or communication of its substance to anyone else within Lubrizol.

5. The information is contained in a document (whether marked "confidential" or not) that sets out technical details about chemical structure(s), engineering designs or processes, or performance test data and where it seems likely that the document is not one that is routinely made available to outsiders. In this instance, the same two steps required in number 4 above are to be followed. This is because, unlike information about the price or other commercial aspects of competitive products, technical detail is specially protected by trade secret laws and is more likely to be covered by secrecy agreements. Legal review and assessment is vital prior to copying, communication or use.

***What is wrong today
won't be right tomorrow.***

Dutch proverb



Protecting Lubrizol's Competitive Information

Just as securing competitive intelligence is important to the success of our business, protecting our own intellectual assets is equally important. To compete and succeed in the global marketplace, every Lubrizol employee has a responsibility to protect company information. To that end, you should:

- Avoid taking sensitive documents from Lubrizol's premises. If you must, keep valuable papers with you at all times. Documents left unattended are subject to compromise or theft.
- Mark confidential documents as 'Confidential' when sending electronically to customers, suppliers, Lubrizol employees and other authorized recipients, and password protect and/or use other approved tools with appropriate levels of encryption when available.
- Be guarded in what you say on the telephone in public settings and on mobile phones. Assume a third party is listening.
- Guard your laptop computer, Blackberry, PDAs and other electronic devices. Stealing such items is a common way of acquiring business secrets.
- Be careful what you say in casual conversation with "friendly" strangers. Pay attention to those around you who might overhear a business conversation.
- Remember: discarded papers, disks, audio tapes and other items can be treasures for unauthorized people who are interested in knowing more about Lubrizol's business. Use ap-

propriate practices (shredding, secure containers, etc.) when disposing of sensitive materials.

- Theft of briefcases is common; take care not to leave your briefcase unattended. Avoid leaving computers, briefcases or other sensitive materials in unattended vehicles. However, if such materials must be left, they should be locked up out of sight.

For more information on intelligence gathering or protection, contact Lubrizol's legal division or your regional ethics leader.

Bribes and Kickbacks

Lubrizol pledges honesty, integrity and ethical behavior in all dealings with customers, subcontractors, suppliers and competitors. Therefore, it is not acceptable to offer, give, solicit or receive any form of bribe or kickback. That principle applies to our transactions worldwide — without exception.

What is the difference between a bribe and a kickback?

- A bribe is any money or favor used unethically or illegally (such as under the FCPA or OECD Anti-Bribery Convention, which are discussed on page 23) to influence the judgment or conduct of a public official or another company's official, or to ensure a desired outcome or action.
- A kickback is a particular kind of bribe. It is the unethical or illegal return of a part of a sum already paid or due to be paid as part of a legal contract. The kickback is a reward for making or fostering business arrangements that favor the party paying the kickback.

The U.S. Foreign Corrupt Practices Act (FCPA) and The Organization for Economic Co-Operation and Development (OECD) Anti-Bribery Convention

As stated earlier, Lubrizol wants to earn its business on the basis of superior services, quality products and competitive prices, not through improper, unethical or questionable business practices. The FCPA and OECD's Anti-Bribery Convention as described below support that desire and are not in conflict with it.

In many parts of the world, companies and governments alike have recognized that corruption raises the costs and risks of doing business. Corruption deters investment, stifles economic growth and sustainable development, distorts prices and undermines legal and judicial systems.

In 1977, the FCPA was enacted in the United States. It prohibits Lubrizol or any of its worldwide subsidiaries or affiliates from bribing, giving or offering to give anything of value to a foreign official to obtain or retain business.

The OECD's Anti-Bribery Convention, which was enacted in 1999, has been ratified by 36 countries, marking a dramatic change in the fight against corruption. The convention obligates the signing parties to make it illegal to bribe foreign government officials when conducting international business. All 36 countries, which include many of those in which Lubrizol has its major global holdings, have enacted or are in the process of enacting legislation similar to the FCPA to implement the convention.

Lubrizol's prohibition against bribes applies equally to employees and to

commissioned agents, sales representatives and consultants acting on the corporation's behalf. Lubrizol, its employees and its agents also are prohibited from doing indirectly what the FCPA and OECD Anti-Bribery Convention prohibit us from doing directly—we cannot make any payment to a third party if all or any part of the payment will be given to a prohibited person. We could be held liable for such payments even if we do not know, but should have known, that the payment is going to a prohibited person.

You do not actually have to make a bribe to be in violation—merely offering, promising or authorizing it is sufficient. An illegal bribe is anything of value—not just money. Lavish entertainment and paying inflated prices to purchase a foreign official's property or services are just two examples of illegal bribes under the law.

Foreign Government Officials

For our guidelines' purposes, a foreign government official includes:

- officials, employees and agents of national, regional or local governments;
- military personnel;
- members of the executive, legislative and judicial branches of national, regional or local government;
- candidates for political office, political parties and officials of political parties; and
- employees, commercial businesses or other enterprises owned or controlled by national, regional or local governments.

Facilitation Payments

Despite its strong prohibitions, the FCPA recognizes certain limited exceptions. In some instances, small facilitation payments, or tips, are permissible if they are intended to secure a routine business service and are made to clerical-level foreign officials to perform or expedite routine government action and are legal in the country where they are given. Examples of such routine actions are processing visas and work orders, obtaining mail and telephone service or for expediting a shipment through customs. Any such payment must be clearly and accurately reported as a business expense in company records.

However, you should be aware that in some countries, all such payments are illegal and therefore must never be paid. Whenever possible, before you make or even agree to make such a payment, consult with the legal division.

Corporate Review Process

To ensure that commissioned agents, sales representatives and consultants who assist in the promotion or sale of Lubrizol's goods neither offer nor receive bribes or kickbacks, all arrangements with them must be covered by written contracts and documented in accordance with ethical business practices and standard legal and accounting requirements. Any Lubrizol facility or subsidiary considering the engagement or a revision of an engagement of such individuals must contact their legal division representative who will assist you in initiating the corporate review process. Any compensation specified in a Lubrizol contract with a commissioned agent, sales representative or consultant who assists in the promotion or sale of Lubrizol's goods must be clearly commensurate with the activities performed on behalf of the corporation. Under Lubrizol's corpo-

rate review process, all agreements with such persons require approval by senior management and are contingent on the representative's meeting established criteria. In its most basic form, the process is a check designed to ensure that representatives engaged to conduct business on our behalf will do so in a fashion consistent with our operational and ethical standards.

Recordkeeping

The FCPA and these guidelines also require Lubrizol to keep accurate financial books and records. All financial entries must reflect the true nature, amount and purpose of money spent. This means that no employee of Lubrizol or anyone acting on our behalf may establish slush funds or any other pool of money that does not appear on the corporation's books and records.

Gifts and Entertainment— Government Officials

Outside the United States

In some countries, certain businesses are owned in whole or in part by the government. Depending on the country, the managers and/or the employees of these businesses might be considered government officials. Under such circumstances, ordinary and reasonable business entertainment or gifts as defined under Conflicts of Interest—Gifts and Entertainment, which are customary and legal in the local environment, are permissible. Additionally, reasonable and bona fide expenditures, such as travel and lodging expenses directly related to the promotion or demonstration of Lubrizol's products or services, may be acceptable. As Lubrizol wishes to avoid even the appearance of impropriety, additional guidance should be sought from the legal division.

Inside the United States

Lubrizol does not permit the giving of any gifts, even those of nominal value, to any U.S. government official or employee. Moderate food and beverage—but no entertainment—expenses may be incurred when it is clear that the meal with the public official is being used for proper business purposes.

Compliance with Export Laws

The U.S. government has a system of export laws that control what and how U.S. goods can be sold internationally. Such regulations have been modified in recent years to prevent transactions that could support terrorist activities. It is Lubrizol's policy to comply with all U.S. government export control laws and regulations. Accordingly, we have implemented export control procedures that everyone must follow.

Under the law, we must know who our customers are, how our products are to be used and the ultimate destination of our products. We are specifically charged with not doing business with certain individuals and entities that have been identified by the government as persons who should not receive exported products, and we must diligently work to ensure that we do not do business with prohibited parties. We must also ensure that our products are only being sold for appropriate uses and are not being sold to countries that are subject to U.S. sanctions. It is the responsibility of all at Lubrizol to help us ensure that we comply with these laws.

If you have any questions regarding the nature of a sale, contact the legal division for assistance.

International Boycotts

A boycott occurs when one person, group or country refuses to do business with certain other people or countries. U.S. anti-boycott laws generally prohibit U.S. companies and their subsidiaries from participating in or cooperating with any international boycott, unless the boycott has been approved by the U.S. government. The Lubrizol Corporation and its U.S. and non-U.S. subsidiaries are required to refrain from participating in international boycotts not sanctioned by the U.S. government.

Conversely, economic sanctions or trade embargoes imposed or approved by the U.S. government are examples of permissible boycotts with which we must comply. U.S. government regulations also require that requests to participate in a boycott not sanctioned by the U.S. government or requests for information supportive of such boycotts must be reported to the U.S. government even if such requests are declined. Any employee receiving such requests should immediately advise the legal division.

To assist employees in this complex area, Lubrizol's Anti-boycott Practices and Procedures is available by contacting the legal division or on the intranet under Corporate Services/Legal Services/Anti Boycott. In addition, it is distributed annually by the legal division along with the international boycott report to all business managers and to people who might learn of boycott requests. The practice provides updated information on our ongoing anti-boycott reporting policy and outlines who to contact when a request to participate in an international boycott is received.

The application of U.S. laws and the laws of other countries can be very complex. Sometimes U.S. laws conflict

with the laws of other countries. When such conflicts appear in the conduct of your business, you should contact the legal division immediately.

Lobbying and Political Advocacy

Lubrizol supports the legislative and political processes in the countries in which it conducts its businesses. In such locations, the respective country has established accepted methods to inform political decision-makers of matters of particular interest to Lubrizol and other corporations. These include lobbying activities, legislative consulting activities and other political/corporate interactions designed to inform public officials of legislative matters of particular importance, including product, operational or employee-related matters. Any employee requested to perform such activities on behalf of the corporation should do so in keeping with any applicable laws and regulations governing such behavior. The appropriate Lubrizol government relations/public affairs personnel should be kept apprised of contacts made with public officials.

Political Contributions and Activities

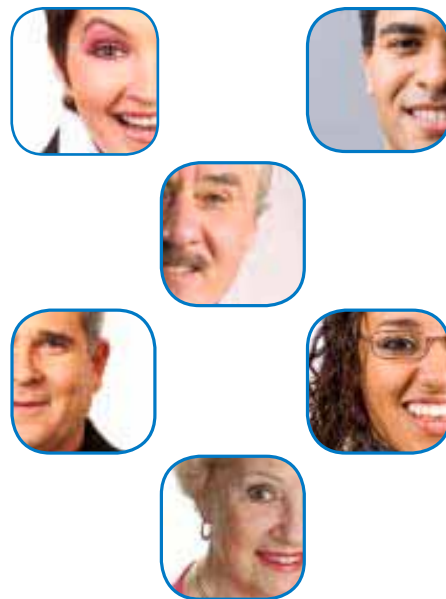
Lubrizol and its subsidiaries will not make contributions to political parties, candidates or public officials, except as permitted by federal, state or local laws both in and outside the United States.

The corporation encourages its employees to participate actively in the political process. However, it does not permit employees to use company time or resources for political activities. Anything of a personal nature must be carried out on the employees' own time and at their own expense. How-

ever, there may be instances where the corporation may request that employees contact public officials. The laws of certain countries, U.S. law and corporate policy forbid the use of company funds, services or other assets for contributions to or in support of political candidates for any level of government office.

Conduct by Persons Acting for Lubrizol

These guidelines apply equally to individuals who are engaged to assist or render services for or on behalf of Lubrizol. This includes attorneys, business consultants, advisors, agents, contractors, distributors and other representatives. It is contrary to the spirit of our guidelines to engage another individual to do something on our behalf that would be in violation of our guidelines and that we are prohibited from doing ourselves.



I wondered why somebody didn't do something; then I realized I was somebody.

Unknown

Asking for Help . . . Raising Concerns . . . Seeking Clarification

Lubrizol's Ethical and Legal Conduct Guidelines illustrate the shared accountability each of us has in conducting our business with honesty and integrity.

The materials presented are intended to assist you in making ethical and legal choices. If after reviewing the guidelines any section is unclear or if you have questions or face situations that are not specifically addressed, please bring them to the attention of any of the people listed on pages 28–29. The most current list of corporate ethics office staff and regional ethics leaders can be found under Ethics Contacts on the ethics site on Lubrizol's intranet or at www.lubrizol.com/About Us/An Ethical Company under Updated Listing-Regional Ethics Leaders. Many of the statements included in the guidelines are supported by detailed policies and procedures, which are available on the Lubrizol intranet.

In today's global market it is often difficult to keep up with the new challenges our organization faces or to adequately deal with all complex situations. Nobody has all the answers. But we do know that the best answers will evolve in an organization whose guiding values are known, and where an environment is cultivated that supports ethically sound behaviors.

You should never hesitate to ask a question or discuss a concern. If you become aware of a situation in which you believe Lubrizol's Ethical and

Legal Conduct Guidelines have been violated, or if you feel you are being pressured or being asked to compromise our values, it is your responsibility to communicate this concern to the company. It is important for you to know that you will not be disciplined, lose your job or be retaliated against in any way for asking questions or voicing concerns about our ethical or legal obligations, as long as you are acting in good faith. Good faith does not mean that you have to be right—but it does mean that you believe you are providing truthful information.

There are a number of people you can contact to ask questions or voice concerns. Your most immediate resource is your supervisor. She/he may have the information you need or may be able to refer the question to another appropriate source. There may, however, be times when you prefer not to go to your supervisor. In situations where you choose not to go to your supervisor, either because your supervisor does not have the information you need or because you desire confidential advice about an ethical or legal dilemma facing you, a network of regional ethics leaders has been established. You may also call Lubrizol's corporate ethics helpline toll-free in the United States at 1-866-347-5000. Outside of the United States, you should dial your country's AT&T access code and then dial the toll free number. The ethics line is attended by corporate ethics office personnel in Wickliffe. If no one is available, you can leave your message on voice mail and it will be answered promptly. You may, but need not, leave your name and/or telephone number so they can get back to you for more facts.

In some countries use of an ethics helpline is legally restricted to specific purposes. Lubrizol will comply with local laws in operation of the helpline in those countries.

Any report or concern regarding accounting, internal controls, auditing matters or fraud concerning any officer will be reported immediately to the Chair of the Audit Committee of the Board of Directors, as will any matter concerning the Chief Executive Officer or any director.

Consequences

In the event that an investigation is initiated, employees are expected to answer any questions truthfully and to the best of their ability. Concealing or covering up an ethical or legal violation is itself a major violation of our guidelines. If an individual engages in concealing or covering up such violations in the absence of significant, serious, mitigating circumstances, the penalty for such conduct would be immediate discharge. It also is expected that employees will cooperate fully if requested to do so in an investigation. Failure to cooperate could be construed as participating in concealment or cover-up activities. Your cooperation is appreciated.

The corporation will respond to violations of these guidelines and the consequences could result in disciplinary action up to and including termination. Any waiver of these guidelines for officers or Lubrizol directors may be made only by the Board of Directors. The Board of Directors does not intend to grant waivers of these guidelines for any officer or Lubrizol director.

When you call our toll-free helpline, 866-347-5000 or extension 5000, this is what you can expect:

- Your report or concern will be taken seriously.
- The accuracy and completeness of your report will be investigated by persons who are not in the chain of supervision over you. Each report will be carefully evaluated before it is referred for investigation or resolution.
- Your report will be handled promptly, discreetly and professionally. Discussions and inquiries will be kept in confidence to the extent appropriate or permitted by law.
- If you wish, you can obtain certain follow-up information about how the corporation addressed your report.

The helpline is not equipped with caller identification, so the number from which you are calling cannot be identified or traced. Similar lines have been established at various facilities on a global basis. You should refer to your regional ethics leader for more information.



Corporate Contacts

Chief Ethics Officer

Mark Meister
440-347-5641

Ethics Managers

Carolyn Cheverine
Lubrizol Advanced Materials
440-347-5753

Cathy Engel
Lubrizol Additives
440-347-5634

Legal Division

Joe Bauer
General Counsel
440-347-5668

Greg Lewis
Deputy General Counsel
216-447-6646

Bill Manson
Deputy General Counsel
440-347-5917

Helpline: Extension 5000 / Toll-Free: 866-347-5000

Regional Ethics Leaders

Location	Name	Phone #
Australia	Edmund Chan	(61 2) 9648-5122
Austria	Regina Fichtenbauer	(43 1) 597-3570
Belgium Brussels & Louvain-la-Neuve Kallo (Antwerp), Oevel & Vilvoorde	Philippe Cornet Martine Van Meyvis	(32 2) 678 1981 (32 3) 570-9463
Brazil	Wagner Sa	(55 21) 2276-7014
Canada	Brenda McKenzie	(905) 358-5778, ext. 105
China	Yvonne Yeo	(65) 6663-8612
France	Nadia George	(33 235) 58 1515
Germany	Birte Schwanemann	(49 421) 69 33 428
Hong Kong	Yvonne Yeo	(65) 6663-8612
India Chennai, Kolkata, Mumbai (Lubrizol India Pvt. Offices) & New Delhi Mumbai (Indiamalt) & Vadodara	P. V. Shimpi Prashant Shah	(91 22) 767 2252 (direct) (91 22) 767 2568 ext. 424 (91) 2667 264368
Indonesia	Yvonne Yeo	(65) 6663-8612
Italy	Didac Martinez	(34 93) 590 29 46
Korea	Yvonne Yeo	(65) 6663-8612
Japan	Shozo Mio	(81 3) 5434-2635
Luxembourg	Philippe Cornet	(32 2) 678 1981
Malaysia	Yvonne Yeo	(65) 6663-8612

Location	Name	Phone #
Mexico	Jose Antonio Rivera	(52 81) 8386-0300 (52 81) 8386-0900
Netherlands	Grainne Barsema-O'Connor	(31 596) 648701
Russia	Regina Fichtenbauer	(43 1) 597-3570
Saudi Arabia	Saleem Al-Ahmad	(966 2) 691-8341/691-8835
Singapore	Yvonne Yeo	(65) 6663-8612
South Africa	Devashni Sewlall	(27 31) 913 5800 (27 31) 913-5811 (direct)
Spain	Didac Martinez	(34 93) 590 29 46
Thailand	Yvonne Yeo	(65) 6663-8612
United Arab Emirates (U.A.E.)	Saleem Al-Ahmad	(966 2) 691-8341/691-8835
U.K.		
Barnsley, Blackley, Grangemouth, Hazelwood & Huddersfield	Nathan Beddoe	(44 1332) 845435
London (Zone 2 Sales)	David Hamilton	(44 20) 8 939-2824
United States of America (U.S.A.)		
California	Mike Mannino	(216) 447-7454 (Brecksville)
Georgia	Cliff Labbe	(216) 447-5703 (Brecksville)
Illinois	Royce Mathews	(708) 579-8000
Kentucky	Alice Simpson	(502) 772-5710
Massachusetts	Jerry Descoteaux	(978) 642-5037 (Wilmington) (978) 975-0045 x448 (Lawrence)
Michigan	John Zarembo	(989) 496-3780
New Jersey	Larry Swetland	(856) 351-2116
North Carolina	Judy Kearse	(704) 915-4181
Ohio		
<i>Avon Lake</i>	Mark Ackerman	(440) 933-1868
<i>Bowling Green</i>	Mike Mannino	(440) 933-1741 (Avon Lake) (216) 447-7454 (Brecksville)
<i>Brecksville</i>	Carolyn Cheverine	(440) 347-5753
<i>Chagrin Falls</i>	Tom Guerriero	(216) 447-5938 (Brecksville)
<i>Painesville</i>	Mark Mullins	(440) 347-3717
<i>Wickliffe</i>	Cathy Engel	(440) 347-5634
South Carolina		
<i>Spartanburg (Lubrizol Additives)</i>	Chris Ollinger	(864) 578-8966 x 33
<i>Spartanburg (Lubrizol Advanced Materials)</i>	Tom Guerriero	(216) 447-5938 (Brecksville)
Texas	Dale Thorp	(832) 260-7960
Venezuela	Wagner Sa	(55 21) 2276-7014

For the most current and comprehensive listing of regional ethics leaders, please go to the ethics website on the Lubrizol intranet or www.lubrizol.com.

Recognizing Our Contributors

In preparing this revision, we benchmarked our guidelines with a number of other associations and corporations including The Josephson Institute, The Ethics and Compliance Officer Association, PricewaterhouseCoopers, Marathon Oil, Kraft, Waste Management, Wendy's, Shell, Honda of America, United Technologies, Olin, Texaco, Bell South, Nationwide, Sara Lee, Weyerhaeuser, EDS, Raytheon, The U.S. Department of State, American Electric Power, Hercules and Texas Instruments.

We thank these and other organizations that have generously shared their work in this area with us. We will happily do the same.

We also thank the many Lubrizol employees from around the world who provided input to this revision by participating in review sessions or by contacting the ethics office with questions, comments or concerns. We continue to welcome suggestions for future updates.

This publication replaces Lubrizol's Ethical and Legal Conduct Guidelines, April 2002.

Acknowledgement Form

Please read, sign and return to your regional ethics leader.

I acknowledge that I have personally received and read a copy of Lubrizol's Ethical and Legal Conduct Guidelines. I know that if I have questions concerning the guidelines, I should direct my questions to my supervisor, the regional ethics leader or the corporate ethics office for appropriate answers. I understand my responsibilities in respect to the guidelines, which includes an obligation on my part to raise questions and concerns, report to the corporation any suspected violations of the guidelines and to cooperate with investigations if I am requested to do so.

Name (Please Print)

Location-Department

Employee Number

Signature

Date

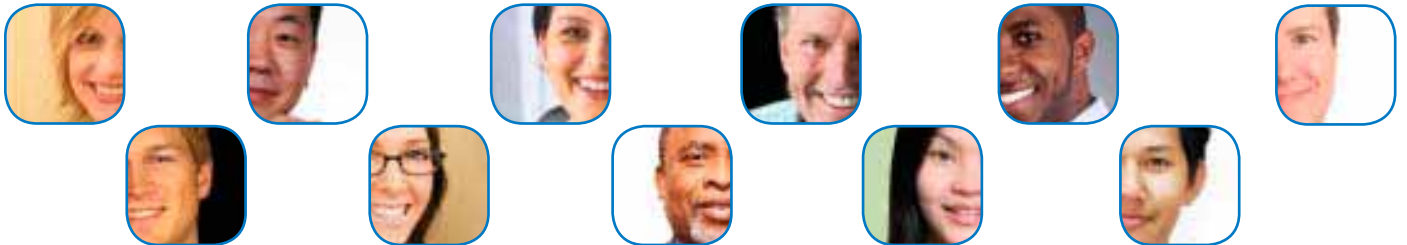


One Company — One Ethics Program

*Call us. Confidential. Discreet.
No retaliation. No recrimination.*

Have a question, concern? Call the Ethics Helpline.

**Ethics Help Line: 866-347-5000 (toll free)
or Wickliffe x 5000**





The Lubrizol Corporation
29400 Lakeland Boulevard
Wickliffe, Ohio 44092-2298
Telephone: 440.943.4200

www.lubrizol.com

Lubrizol



© 2007 The Lubrizol Corporation
060460-A