

**THE LUBRIZOL CORPORATION
BOARD OF DIRECTORS GOVERNANCE GUIDELINES**

Composition, Size, Independence, and Chairmanship

The regulations of the company provide that the board will have nine to thirteen directors with the board setting the specific number within that range.

All directors other than the chief executive officer (the “CEO”) will be independent in accordance with the New York Stock Exchange rules on independence and the independence criteria approved by the board (Exhibit A), except during transition periods between CEOs or other special circumstances. The board annually will make an independence determination for each director and director nominee.

The board elects the chairman of the board. The CEO currently is the chairman of the board.

Policy Regarding Qualification, Selection and Nomination of Directors

Qualifications and credentials of potential director nominees may vary according to the particular areas of expertise needed to complement the existing composition of the board in order for it to function optimally. At a minimum, director nominees must possess the highest professional and personal ethics and integrity, a commitment to enhancing shareholder value and a willingness and ability to devote adequate time and resources to perform the duties of the board.

In assessing potential candidates, the board will consider, among other things, independence, diversity, experience, age, ability to exercise sound judgment and make independent analytical inquiry, and ability to provide insights and practical wisdom.

Director candidates will be recruited from a broad geographic area and will include candidates having substantial international experience. The board will consider potential candidates who are identified by board members, by a search firm retained by the Nominating and Governance Committee and/or by shareholders in accordance with the advance notice nomination procedures set forth in the company’s regulations.

Meetings of the Board; Schedules; Agendas; Quorum

The board normally meets at least six times per year, usually at the corporate headquarters, according to a schedule determined well in advance. Occasionally, the board may meet at other locations.

Prior to each meeting, the corporate secretary will provide an agenda for the meeting, minutes from the last meeting, and background information for important subjects to be presented at the meeting. Directors are expected to review the materials sent to them in preparation for the meeting.

Significant transactions under consideration normally are discussed in at least two meetings. The company’s strategic plan is reviewed at one meeting each year.

A majority of members constitutes a quorum for board and committee meetings.

Attendance at Meetings

Except for illness and unavoidable scheduling conflicts, directors are expected to attend all meetings in person, including the annual meeting of shareholders. While in person attendance is highly preferred, participation by telephone can be arranged in special situations and with advance notice.

A director unable to attend a meeting should contact the chairman promptly so that steps to assure a quorum can be taken if necessary.

Committees of the Board

Currently, there are four standing committees of the board: the Organization and Compensation Committee; the Audit Committee; the Nominating and Governance Committee; and the Executive Committee.

The Nominating and Governance Committee is comprised of all the independent directors. The Audit and Organization and Compensation Committees are each comprised of at least three of the independent directors appointed by the board. The Executive Committee is comprised of the chairman of the board and each of the other committee chairs.

Each committee chair and committee member is nominated by the Nominating and Governance committee and appointed by the board. Normally, the committee chairs of the Audit, Nominating and Governance and the Organization and Compensation Committees will not serve as such for a term longer than four years. The Nominating and Governance Committee will periodically review committee membership and may rotate directors between the Audit and Organization and Compensation Committees.

Majority Voting Standard for Election of Directors; When Offer of Resignation Required

The company has a majority voting standard for the election of directors. In accordance with this standard, a nominated person in an uncontested election must receive more “for” votes than “withhold” votes in order to be elected. In the case of a new nominee who is not already an incumbent director, a failure to receive more “for” votes than “withhold” votes would result in the nominee not being elected a director. But if this were to occur in the case of a sitting director nominated for re-election, Ohio law would provide that such a director would “remain in office” or “hold over” until replaced.

To deal with this anomaly, the board adopted the following policy:

An incumbent director receiving more “withhold” votes than “for” votes in an uncontested election promptly will offer to resign from the board. The board and its Nominating and Governance Committee will decide, within 90 days after the election results are certified, whether to accept the resignation offer, and the company will promptly disclose the board’s decision in a press release. If the board decides to reject the offer to resign, the press release will indicate the reasons for that decision.

Material Change in Status of Director’s Primary Business Activities

A director whose principal and primary job responsibilities change materially from those held when elected to the board will offer to resign. The Nominating and Governance Committee, in consultation with the chairman of the board, will determine whether to

accept the resignation or ask the director to remain on the board notwithstanding the director's change in circumstances.

Retirement of Directors

A director will retire no later than the date of the Annual Meeting next following the date on which the director attains the age of 72.

Retired Lubrizol CEOs as Board Members

A former CEO, upon retirement from the company, will resign from the board following a short period of time to allow for a smooth transition to a successor. He or she will be considered an inside director for purposes of corporate governance during this transition.

Membership on Other Boards

A director will notify the chairman of the board prior to accepting invitations to join other boards of directors (other than non-profit boards of organizations not materially supported by the company.) This guideline is established to avoid potential conflicts of interest or the appearance of conflicts of interest. Appropriate legal opinions will be obtained as necessary.

Lead Director

If the chairman of the board is not an independent director, the board will appoint an independent director to serve in the capacity of lead director. The lead director's responsibilities include:

- Presiding over sessions of the independent directors in executive session, and providing feedback and perspective to the CEO regarding discussions at these sessions;
- Calling meetings of the independent directors, as appropriate;
- Coordinating the activities of the independent directors and serving as a liaison between the CEO and the independent directors, as a group;
- Receiving specific and more detailed information regarding topics for board meetings and the time allotted for the presentations and providing input from the directors to the chairman of the board with regard to agendas and schedules for board meetings;
- Providing independent director input to the chairman of the board regarding the effectiveness of board meetings;
- Being available for consultation and direct communication with shareholders and reviewing correspondence sent to the board through the company;
- Speaking on behalf of the board and chairing board meetings when the chairman of the board is unable to do so, and assuming such other responsibilities that the board may designate from time to time.

Executive Sessions of Independent Directors

The independent directors will meet privately in regularly scheduled executive sessions without the CEO or other management to discuss any issues relevant to the company.

Assessing Board Performance

The Nominating and Governance Committee will conduct an annual assessment of the board's performance and processes.

This assessment is intended to review the contribution of the board as a whole and specifically examine areas in which the board or management believes the effectiveness of the board could be improved.

Evaluation of the Chief Executive Officer

The independent directors will participate in the annual formal evaluation of the CEO. The Lead Director will review the results of the evaluation with the CEO.

Succession Planning/Management Development

The CEO will submit an annual report to the Organization and Compensation Committee on succession planning for all positions in senior management and the company's program for management development.

The CEO's recommendation as to an interim successor should the CEO unexpectedly be unavailable to serve will be communicated to the Organization and Compensation Committee on a continuing basis.

Board Access to Senior Management

Board members will have complete access to the company's management and communication with management is encouraged. A director should inform the CEO of the nature of communications with management and provide copies of written communications with management to the CEO.

The board encourages management to bring key employees into board meetings who can provide additional insight into the items being discussed or who management believes should be given exposure to the board because of the individual's growth potential within the company.

Board Resources; Access to Independent Consultants and Other Advisers

The board will be given resources necessary in its discretion to discharge its responsibilities, including access to company personnel and records, and will have sole authority to retain, pay and terminate independent consultants and other advisers selected by the board to assist the board in carrying out its duties.

Review of Shareholder Protection Provisions

The company presently does not have in place a shareholders rights (i.e. "poison pill") plan. Nonetheless, all provisions of the company's regulations, governing articles, and other policies affecting shareholder rights will be reviewed at least biannually.

Board Oversight of Risk Management

The board has oversight responsibility of enterprise-wide risk management. The Nominating and Governance Committee oversees the process for review of the risk management activities. In carrying out its responsibilities, the board will rely on periodic reports from its committees and from management regarding their processes for identifying and managing the key risks facing the company. At least annually, and more frequently as appropriate, the board will receive and review reports from management on the company's key risk exposures and significant risk policies, practices and processes regarding management, monitoring and control; from the Audit Committee regarding its review of risk assessment and risk management policies concerning the company's financial statements and effectiveness of internal controls over financial reporting; and from the Organization and Compensation Committee regarding its review of management's compensation risk assessment and the committee's risk assessment of executive compensation.

Communications with Shareholders and the Investment Community

Management has the authority and responsibility to speak for the company in all normal course activities, including communications with shareholders and prospective investors. Except in unusual situations, or in the case of inquiries made to the lead director as noted below, directors will not participate in those communications. However, management will provide regular reports to the board regarding shareholder communications.

Further, shareholders and other stakeholders may communicate with the board by sending a letter marked "Confidential" and addressed to:

Lead Director, The Lubrizol Corporation Board of Directors
c/o Corporate Secretary
The Lubrizol Corporation
29400 Lakeland Boulevard
Wickliffe, OH 44092

Alternatively, shareholders and others may send an email to the Lead Director at lead.director@lubrizol.com. The corporate secretary will forward these emails to the Lead Director.

Director Compensation

The CEO will report annually to the Nominating and Governance Committee on the status of the company's director compensation in relation to other comparable manufacturing companies. A description of director compensation is attached as Exhibit B.

Stock Ownership by Directors

Directors are required to own at least 5,200 shares of the company's stock. New directors have five years to meet this requirement. Directors are subject to the same restrictions as members of senior management in regard to open market purchases or sales of company stock and may only execute them in designated "window" periods following the public release of quarterly earnings reports.

Director Orientation and Continuing Education

Each new director will participate in an orientation program to acquire information about the markets, resources and business issues of the company. Directors are expected to participate in additional continuing education, as appropriate to their roles as directors.

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Exhibit A

THE LUBRIZOL CORPORATION

DIRECTOR INDEPENDENCE CRITERIA

In accordance with the independence criteria under the New York Stock Exchange listing standards, the board adopted the following categorical standards to determine director independence:

Former Employees. A director will not be considered independent if during any of the past three years he or she has been an employee or whose immediate family member has been an executive officer of the company or any of its subsidiaries. For purposes of these standards, an immediate family member includes spouses, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone who shares the director's home.

Compensation. A director will not be considered independent if the director or an immediate family member has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

Auditors or Former Auditors. A director will not be considered independent if: (a) the director is a current partner or employee of the company's internal or external auditor; (b) the director has an immediate family member who is a current partner of the company's internal or external auditor; (c) the director has an immediate family member who is a current employee of the company's internal or external auditor and who personally works on the company's audit; or (d) the director or an immediate family member was within the last three years a partner or employee of the company's internal or external auditor and personally worked on the company's audit during that time.

Interlocking Directorates. A director will not be considered independent if during any of the past three years he or she, or an immediate family member, has been an executive officer of another company for which a company executive officer serves on the board of directors.

Attorneys, Investment Bankers, Consultants. A director will not be considered independent if he or she is affiliated with a law firm, investment banker, consultant or similar advisor to the company.

Significant Customer or Supplier. A director will not be considered independent if he or she is affiliated with, or whose immediate family member is an executive officer, of a customer that represents more than the greater of \$1 million or 2% of the company's total consolidated gross revenues. A director will not be considered independent if he or she is affiliated with, or whose immediate family member is, an executive officer of a supplier of which the company represents more than the greater of \$1 million or 2% of its total consolidated gross revenues.

Significant Charitable Contribution Recipient. A director will not be considered independent if he or she is employed as an executive officer of a not-for-profit entity of which company contributions represent more than the greater of \$1 million or 2% of the non-profit's consolidated gross revenues.

Exhibit B

THE LUBRIZOL CORPORATION

DIRECTOR COMPENSATION

(Effective January 1, 2011)

Annual Cash Compensation

Non-employee directors receive annual cash retainers for board and committee memberships (other than the executive committee for which there is no additional retainer) as follows:

- \$60,000 for each board member
- \$13,500 for each committee chair (other than chair of Nominating and Governance Committee)
- \$7,500 for each committee on which a director serves (excluding service as the chair of Audit committee or Organization and Compensation Committee)

A director who is an employee of the company receives no separate compensation for service as a director.

Annual Equity Compensation

Outside directors are granted annually a number of restricted stock units equal in value to \$100,000 on the date of each annual meeting of shareholders. Outside directors who are elected between annual meetings will receive a pro-rata award of restricted stock units. The restricted stock units vest on the date of the annual meeting next following the date of grant.

Other

Travel expenses incurred in attending all meetings are reimbursed. Air travel is based on round-trip, first-class airfare from the director's home to the meeting location. Other expenses, such as hotels, meals, local transportation and similar expenses, also are reimbursed.

The company maintains a deferred compensation plan through which a director may elect to defer all of his or her annual retainer fee, all or any portion of his or her committee membership fee for any fiscal year and all or any portion of his or her restricted stock upon vesting.

Directors are eligible to participate in The Lubrizol Corporation Foundation Matching Gift Program.