

**UST  
COMPENSATION COMMITTEE CHARTER**

**As Amended and Restated by the Board of Directors effective August 4, 2005**

**I. Purpose**

The purposes of the Compensation Committee (the "Committee") shall be to (a) review and approve, as appropriate, (i) the broad compensation program of UST Inc. (the "Company") with respect to its officers including all executive officers, and (ii) the various components of the total compensation of the executive officers; (b) make recommendations to the Board of Directors (the "Board") regarding the compensation of nonemployee directors and officers of the Company; (c) prepare the report on executive compensation for inclusion in the Company's annual proxy statement as required by the Securities and Exchange Commission ("SEC"); (d) perform all settlor functions with respect to all employee benefit plans and programs of the Company; and (e) administer the Company's equity-based award plans and review and approve all grants and awards thereunder.

The purposes of the Committee shall remain flexible in order that the Committee is in the best position to react to changing conditions and to assure the Board and the stockholders that the Company is best able to attract and retain officers and Board members of the highest quality.

The Committee shall have the sole authority to retain compensation consultants to evaluate the Chief Executive Officer's ("CEO") or other senior executive compensation and such other advisors as it may deem necessary or appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms and it shall be given the resources necessary to satisfy its responsibilities.

**II. Organization**

The Committee shall consist of not less than three directors each of whom shall be appointed by the Board upon the recommendation of the Nominating & Corporate Governance Committee and shall satisfy applicable independence requirements of the New York Stock Exchange and any other regulatory requirements. The Chairman of the Committee shall be designated by the Board from among the Committee members. Committee members may be removed by the Board in its discretion.

**III. Specific Duties and Responsibilities**

A. Meetings. The Committee shall meet from time to time, as appropriate, to consider nonemployee director and officer compensation. It shall report its activities to the Board so that the Board is kept informed of the Committee's activities on a current basis. The Committee shall maintain, through such reports or meetings, open lines of communication among the Board and the Company's senior executives. Administrative support will be provided to the

Committee by the Company's Corporate Secretary, who shall serve as Secretary to the Committee.

- B. Primary Responsibilities. The Committee's primary responsibilities shall include:
1. Determine the Company's executive compensation philosophy, strategy and target competitive positioning;
  2. Review and approve the list of peer companies for competitive comparison purposes, review the use of compensation surveys to calibrate executive pay, and periodically review a report comparing the Company's relative size, performance and executive compensation to the comparator group using relevant metrics;
  3. Pre-establish financial and individual performance objectives for purposes of the CEO and other executive officers' cash and equity-based incentives;
  4. Review and approve, corporate strategic goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance in light of the achievement of those goals and objectives, and determine and approve the CEO's compensation based on this evaluation;
  5. Review and consider management's recommendations regarding base salaries for all officers and, if the Committee deems it appropriate, to make such recommendations to the Board for approval;
  6. Review and consider management's recommendations regarding the annual compensation (including incentive compensation and equity-based awards) for those officers for which executive compensation disclosure is required pursuant to the proxy rules promulgated by the SEC, measuring performance against the achievement of their established objectives;
  7. Pursuant to the Company's Incentive Compensation Plan ("ICP"), certify in writing prior to payment of any ICP awards that the conditions for payment as set forth in the ICP for purposes of IRC Sec. 162(m) have been satisfied by the Company;
  8. Perform all settlor functions with respect to all employee benefit plans and programs of the Company, its subsidiaries and divisions, including the adoption, amendment and termination of such plans and programs (unless approval by the Board or shareholders of the Company is required by law) and the ability to re-delegate such functions;
  9. Establish guidelines for the administration of the Company's equity-based plans and make any other determination it deems necessary to administer such plans, which determinations shall be binding and conclusive;

10. Make recommendations with respect to the Company's incentive compensation plans, equity-based plans and officer benefit plans, including the establishment of, or amendments to, such plans;
11. Review and approve all employment and severance agreements for officers and, as the Committee deems appropriate, to make recommendations on such matters to the Board for approval;
12. Consider and make recommendations with respect to other compensation matters as the Committee deems appropriate and as may be requested by the Board from time to time;
13. Preparation of its report on executive compensation as required by the proxy rules promulgated by the SEC to be included in the Company's annual proxy statement;
14. Establish directors' and officers' stock ownership guidelines;
15. Perform an annual review of this Charter and performance evaluation of the Committee; and
16. Perform such other functions consistent with this Charter, the Company's By-laws and governing law as the Committee deems appropriate or as from time to time may be assigned by the Board.

The Committee may take or cause to be taken such other actions and adopt such procedures as may be necessary or appropriate in effecting the foregoing. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion.