

UST Inc.
CORPORATE GOVERNANCE GUIDELINES
As Approved by the Board of Directors on June 21, 2007

The Board of Directors (the "Board") of UST Inc. (the "Company") is cognizant of corporate governance issues and recognizes that proper corporate governance is important for public companies to achieve superior performance and maintain the confidence of its stockholders and the marketplace.

These corporate governance guidelines (the "Guidelines") are not intended to change or interpret any Federal or state law or regulation, including the laws of the State of Delaware, or the Company's Certificate of Incorporation or By-laws. The formal requirements pertaining to the Company's corporate governance structure can be found in the Company's Certificate of Incorporation or Bylaws, as amended from time to time.

1. ROLE OF THE BOARD

The Board's primary objective is to maximize long-term shareholder value through the exercise of diligent oversight and commitment to sound corporate governance practices. To achieve this goal, the Board will monitor both the performance of the Company (in relation to its goals and strategy) and the performance of the Chief Executive Officer ("CEO").

2. DIRECTOR RESPONSIBILITIES

The Board is aware of its fiduciary duties to the Company and its stockholders, including its responsibility to:

- Make decisions on an informed basis;
- Oversee and direct the management of the Company;
- Monitor senior management performance;
- Oversee the Company's corporate governance structure and procedures; and
- Provide input on strategic direction.

In furtherance of its responsibilities, the Board delegates to the CEO, and through that individual to other senior management, the authority and responsibility for managing the Company's business.

It is the general practice of the Board for materials, which are important to the Board's understanding of the agenda items and other topics to be considered at a Board meeting, to be prepared and distributed sufficiently in advance of such meeting to permit prior review by the directors. Directors are expected to review all distributed material prior to the Board meeting.

In addition, each director is expected:

- To spend the time and effort necessary to properly fulfill his or her responsibilities, including regularly attending meetings of the Board and committees on which he or she sits, with the understanding that on occasion a director may be unable to attend a meeting. A director who is unable to attend a meeting is expected to notify the Chair of the Board or the Chair of the appropriate committee in advance of such meeting;
- Absent unusual or extraordinary circumstances, to attend the Company's Annual Meeting of Stockholders. In the event that a director is unable, for any reason, to attend the Annual Meeting, he or she is expected to notify the Chairman of the Board in advance of the meeting; and
- To own Company stock pursuant to applicable stock ownership guidelines.

3. SIZE AND COMPOSITION OF THE BOARD

Number of Directors

The size of the Board should permit diversity of experience and background without diminishing individual accountability or effective discussion. It is the responsibility of the Nominating & Corporate Governance Committee periodically to review and, if appropriate, to recommend changes in the size and composition of the Board.

Board Composition

The members of the Board shall possess the qualifications identified below under the section entitled "Nominees to the Board of Directors."

The Company does not have a policy limiting the number of other public company boards upon which a director may sit. However, the Nominating & Corporate Governance Committee shall consider, in evaluating the suitability of a person as a director, the number of other public company boards and other boards (or comparable governing bodies) on which the prospective nominee is a member and the time commitments involved in connection therewith.

A substantial majority of the Board shall, at all times, be directors who qualify as independent directors ("Independent Directors") under the New York Stock Exchange's ("NYSE") corporate governance listing standards in effect from time to time.

Annually, the Nominating & Corporate Governance Committee shall review and report to the Board on whether any director, other than management directors, has any relationship, which, in the opinion of the Nominating & Corporate Governance Committee is material (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) or (ii) would otherwise cause such person not to qualify as an

"independent" director under the rules of the NYSE and, in the case of members of the Audit Committee, the Sarbanes-Oxley Act of 2002.

To facilitate the Nominating & Corporate Governance Committee's review, the Nominating & Corporate Governance Committee has identified certain relationships, which, absent special circumstances, would not be deemed to be material and, as such, not interfere with a director's qualifying as an "independent" director. Such relationships include:

- being a person who is a current employee, or whose immediate family member (as defined in the rules of the NYSE) is a current executive officer of a company that, during the current year or in the past three fiscal years, makes (or expects to make) payments to, or receives (or expects to receive) payments from, the Company for property or services in an amount which, in any single fiscal year, does not exceed (and, in the current year, is not expected to exceed) the greater of \$1 million, or 1% of such other company's consolidated gross revenues;
- being a person whose immediate family member has received in the past three years, or, with respect to the current year is expected to receive, direct compensation from the Company, provided that the amount of such direct compensation received by such immediate family member did not during any 12-month period in the preceding three years, and is not expected to during any 12-month period in the future, exceed \$100,000;
- being a person who was affiliated with or employed by, or whose immediate family member was affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company, provided that (i) neither such person nor any immediate family member of such person is a current partner of the Company's internal or external auditor; (ii) such person is not a current employee of such a firm; (iii) no immediate family member of such person is a current employee of such a firm, participating in the firm's audit, assurance or tax compliance (but not tax planning) practices; and (iv) neither such person nor any immediate family member of such a person, as an employee or partner of such firm, personally did work on the Company's audit within the last three years.
- being a person who was employed, or whose immediate family member was employed, as an executive officer of another organization where any of the Company's present executives served at the same time on that organization's compensation committee, provided that at least three years have passed since the that time such contemporaneous compensation committee service and employment relationship last occurred;
- being a person who was a director or an executive officer of a charitable organization to which the Company has made a contribution, provided that contributions to such organization by the Company, in any single fiscal year during the preceding three fiscal years, did not, and are not expected in the current fiscal year to, exceed the greater of \$100,000, or 1% of such charitable organization's consolidated gross revenues; and
- being a member of a law firm, or a partner or executive officer of any investment banking firm which has provided, or is providing, services

to the Company, provided that the person is not a member of the Audit Committee and the fees paid, or expected to be paid, for services in each of the prior three fiscal years and anticipated for the current fiscal year are less than 1% of that firm's gross revenues for the applicable fiscal year.

To the extent that any such relationship exists in which the thresholds described above are exceeded, the Nominating & Corporate Governance Committee shall review the independence of such director in light of all relevant facts and circumstances, including the rules of the NYSE. Any determination made by the Nominating & Corporate Governance Committee with respect to the independence of such director, including a description of any such relationship, shall be disclosed in the Company's annual proxy statement.

4. BOARD COMMITTEES

There are currently four (4) Committees appointed by the Board upon the recommendation of the Nominating & Corporate Governance Committee: Audit, Compensation, Nominating & Corporate Governance, and Strategic Review. The Board is satisfied that the current committee structure of UST is appropriate at this time.

Each of the four Committees has adopted Charters which set forth their roles and responsibilities. The Board approved each Committee Charter. The Charters of these Committees are available on the Company's website www.ustinc.com.

The Board, together with the Nominating & Corporate Governance Committee, shall review from time to time the number and types of committees to be established, the role and responsibilities of each committee and the effectiveness of the committee structure and the performance of each committee. The Nominating & Corporate Governance Committee, from time to time, shall review and, if appropriate, recommend changes in the size and composition of the Board Committees.

The Nominating & Corporate Governance Committee shall be responsible, after consultation with the Chairman of the Board and CEO, for making recommendations to the Board with respect to the assignment of members of the Board to various committees. After reviewing the Nominating & Corporate Governance Committee's recommendations, the Board shall be responsible for appointing the chair and members to the committees on an annual basis.

The Audit Committee, Nominating & Corporate Governance Committee and the Compensation Committee shall be comprised solely of the Company's Independent Directors.

The members of the Audit Committee, Nominating & Corporate Governance Committee and Compensation Committee, as and when desired, have the opportunity to meet amongst themselves and/or with their advisors such as

the independent auditors, legal counsel and compensation consultants, as applicable, without the presence of management personnel.

5. SEPARATE SESSIONS OF NON-MANAGEMENT DIRECTORS

The non-management directors of the Company shall meet in executive session without management on a regularly scheduled basis, but not less frequently than quarterly. The chair of the Nominating & Corporate Governance Committee and, in such person's absence, another person designated by the non-management directors (the "Presiding Director") shall preside at such executive sessions.

6. ATTENDANCE OF MANAGEMENT PERSONNEL AT BOARD MEETINGS

The Board encourages the inclusion of members of management from time to time in meetings of the Board to (i) provide management insight into items being discussed by the Board that involve such members of management, (ii) make presentations to the Board on matters which involve such members of management, and (iii) bring managers with significant potential into contact with the Board. Attendance of such management personnel at meetings of the Board shall be at the discretion of the Board.

7. CONTACT WITH THE BOARD

Any interested parties desiring to communicate with the Board, the Presiding Director, any individual director or the non-management directors as a group regarding the Company may directly contact such directors by mail. Correspondence should be addressed to the Board or any such individual directors or group or committee of directors, by either name or title. All correspondence should then be sent "c/o Corporate Secretary" at the following address: UST Inc., 100 West Putnam Avenue, Greenwich, Connecticut 06830. A copy of all such communications received will be provided, as appropriate, to the director(s) as set forth on the address label.

In addition, all communications reporting a concern or complaint relating to the Company's accounting, internal accounting controls or auditing matters shall be reported to the Audit Committee. Such concerns or complaints may be made either directly to a member of the Audit Committee or may be made anonymously through the UST Compliance HelpLine, details of which are posted on the Company's web-site. Communications, as appropriate, may be reviewed initially by the General Counsel's office or the office of the Corporate Secretary, who shall report on the status thereof to the Audit Committee or the Board, as appropriate. The Company has established separate procedures for employees to report possible violations of the Company's Code of Corporate Responsibility or concerns regarding questionable accounting or auditing matters. The Company's Code of Corporate Responsibility prohibits any person from retaliating against an employee for any report made in good faith.

8. NOMINEES TO THE BOARD OF DIRECTORS

It is the Company's desire to select individuals for nomination to the Board who are the most highly qualified and who, if elected, will enhance the Board's ability to oversee and direct, in an effective manner, the business of the Company and to best serve the general interests of the Company and its stockholders. In its assessment of potential nominees, the Nominating & Corporate Governance Committee will consider the following criteria:

- Meets New York Stock Exchange independence criteria;
- Reflects highest personal and professional ethics and integrity;
- Has relevant educational background;
- Has demonstrated effectiveness and possesses sound judgment;
- Has qualifications to serve on appropriate Board committees;
- Has experience relevant to the business needs and objectives of the Company;
- Has the ability to make independent and analytical judgments;
- Has adequate time to devote to Board responsibilities; and
- Has effective communication skills.

Such matters shall be considered in light of the then current diversity and overall composition of the Board. At a minimum, any potential nominee should reflect the highest personal and professional ethics and integrity, have the ability to make independent and analytical judgments and have adequate time to devote to Board responsibilities. In addition, the Nominating & Corporate Governance Committee considers a candidate's specific experiences and skills, potential conflicts of interest and independence from the Company.

The Nominating & Corporate Governance Committee will also consider and evaluate recommendations for Board candidates submitted in a timely manner by stockholders, in light of the qualities of any individual so suggested and the vacancies and needs of the Board. To enable the Nominating & Corporate Governance Committee to consider and evaluate properly any such candidate prior to the next annual meeting, the Corporate Secretary should receive, at least four months before the anticipated mailing date for the Company's proxy statement for such meeting (assuming that the mailing date for the next annual meeting is the same as the mailing date for the prior year's meeting, but one year later), the following information:

- The name, business address and curriculum vitae of any proposed candidate;
- A description of what would make such person an effective addition to the Board;
- A description of any relationships or circumstances that could affect such person's qualifying as an independent director;
- A confirmation of such person's willingness to serve as a director;
- Any information about such person that would, under the federal proxy rules, be required to be included in the Company's proxy statement if such person were a nominee, including, without limitation, the number

- of shares of Company common stock beneficially owned by such person; and
- The name, address and telephone number of the stockholder submitting the recommendation, as well as the number of shares of Company common stock beneficially owned by such stockholder and a description of any relationship between the proposed candidate and the stockholder submitting his or her name.

All such proposed candidates shall be evaluated in accordance with the criteria set forth above.

9. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

Each newly elected director who has not previously served on the board of directors of a publicly traded company will be required to attend, at the Company's expense, a formal accredited corporate directors' education program. Directors who do not have a background or familiarity with financial matters will be expected to attend a financial course designed for non-finance executives. All directors are encouraged to attend formal accredited corporate directors' education programs in order to maintain the necessary level of expertise to perform their responsibilities as directors.

Each newly elected director shall be provided with appropriate information relating to the Company's strategic plans, financials, compliance programs and key policies and procedures and will be afforded the opportunity to meet with the General Counsel, the Chief Financial Officer, the Internal Auditor, the Independent Auditors, and the President of each principal business unit to review the Company's business and operations. Newly elected directors will also be afforded the opportunity to visit the Company's principal facilities.

10. ANNUAL PERFORMANCE EVALUATION OF THE BOARD

An assessment of Board and Committee performance is conducted at least annually, at the direction of the Nominating & Corporate Governance Committee, in consultation with the Chairman of the Board, to ensure that the Board and its committees are functioning effectively.

11. CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

The Board believes that it is effective and appropriate for the Company's CEO to serve as Chairman of the Board. However, the Board retains the authority to separate those functions if it deems such action appropriate.

12. SELECTION AND EVALUATION OF THE CHIEF EXECUTIVE OFFICER

Selection of the CEO

The Nominating & Corporate Governance Committee shall be responsible for evaluating potential candidates for, and selecting for recommendation to the Board, the CEO. In evaluating potential candidates for, and selecting, the CEO, the Board shall consider, among other things, a candidate's experience, understanding of the Company's business environment, leadership qualities, knowledge, skills, expertise, integrity, and reputation in the business community. The Board shall review, at least annually, the Company's CEO succession plans, including short-term plans which may be implemented in the event of an emergency.

Evaluation of the CEO

The performance of the CEO shall be reviewed annually by the Compensation Committee. The evaluation shall be based on subjective, as well as objective, criteria deemed appropriate by the Committee, including the performance of the businesses of the Company in light of the corporate goals and objectives established for the CEO from time to time and the development of management. To assist the Committee, the CEO, promptly following the end of the fiscal year, will develop and deliver to the Committee a self-evaluation. The Committee shall seek input from, and review the results of its review with, all non-management directors. The assessment of the CEO's performance shall be shared with the CEO and used by the Compensation Committee in setting the compensation of the CEO.

13. COMPENSATION POLICY FOR DIRECTORS, EXECUTIVE OFFICERS AND OFFICERS

The Compensation Committee is responsible for the review and approval of the Company's compensation policy with respect to its directors and officers, including Executive Officers, as well as the various components of the total compensation of Executive Officers.

Directors

The Company believes that compensation for non-management directors should be competitive and encourage increased ownership of Company stock through the payment of a portion of director compensation in Company stock. The Compensation Committee will periodically review the level and form of director compensation, including how such compensation relates to director compensation of a selected comparator group of companies using relevant metrics for comparison. Such review will also include a review of both direct and indirect forms of compensation to the Company's directors, including charitable contributions, if any, made by the Company to organizations in

which a director is affiliated and consulting or other similar arrangements, if any, between the Company and a director. Changes to director compensation will be proposed to the Board for consideration.

Director's fees (including any additional amounts paid to chairs of committees and to members of committees of the Board) are the only compensation a non-management director may receive from the Company. A director who is also an officer of the Company shall not receive additional compensation for such service as a director.

Officers

As described in the Company's proxy statement, the Compensation Committee directs an independent consultant to prepare a compensation study using a comparator group of companies selected with relevant metrics solely for the purpose of competitive analysis. The Compensation Committee uses this study as a guide for its recommendations to the Board for the compensation of Executive Officers of the Company. The Compensation Committee presently intends to continue this practice.

14. MANDATORY RETIREMENT AGE OF DIRECTORS

The Board adopted a policy under which a director cannot stand for election for a new term if such director is 72 years of age, or older, at any time during such director's current term. This policy may be waived by the Board from time to time, but only if the Nominating & Corporate Governance Committee deems such waiver to be appropriate in light of the then relevant facts and circumstances.

In addition, any director who retires or changes the position he or she held when first becoming a member of the Board shall offer a letter of resignation for consideration by the Board. The Board shall, in its sole discretion, determine by a majority vote whether it continues to be appropriate for the director to serve on the Board, and may waive such requirement for resignation where it has determined that continued service by the director would be appropriate.

15. TERM LIMITS

The Board does not believe it should establish term limits for the directors. The Nominating & Corporate Governance Committee, in consultation with the Chairman of the Board, will formally review each director's continuation on the Board no less frequently than annually.

16. SELECTION OF AGENDA ITEMS FOR BOARD AND COMMITTEE MEETINGS

The Chairman of the Board establishes the agenda for each Board meeting and generally discusses the significant agenda items with the Board members in advance. Each Board member can always recommend additional items on the agenda.

At the request of the Chair of a Committee, the agenda for a meeting of such Committee shall be initiated by the Secretary and reviewed by the appropriate Committee Chair. When appropriate, input is received from management.

17. BOARD ACCESS TO SENIOR MANAGEMENT AND INDEPENDENT ADVISORS

Directors have unrestricted access to the officers of the Company and its subsidiaries whenever they desire. Directors will coordinate access through the CEO and use reasonable judgment to assure that such access is not distracting to the Company's business operations. Directors also have access to independent advisers, as necessary and appropriate.

18. BOARD INTERACTION WITH INSTITUTIONAL INVESTORS, THE PRESS, CUSTOMERS, ETC.

The Board believes that management speaks for the Company. Individual directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. Under ordinary circumstances, and except as may be required by a director to fulfill his or her fiduciary duty, it is expected that Board members would do this with the knowledge of and at the request of management.