

NUSTAR ENERGY L.P.

CORPORATE GOVERNANCE GUIDELINES

The following guidelines have been adopted by the Board of Directors (the “Board”) of NuStar GP, LLC, the general partner of the general partner of NuStar Energy L.P. (“NuStar” or the “Company”) to establish ethical governance standards for the Company. These Guidelines represent one component of NuStar’s governance program. Other documents that direct NuStar’s governance affairs include NuStar’s agreement of limited partnership, *Code of Business Conduct and Ethics*, *Code of Ethics for Senior Financial Officers*, the charters of its various Board committees, the limited liability company agreement of NuStar GP, LLC, and the limited partnership agreement of NuStar Energy L.P.’s general partner, Riverwalk Logistics, L.P., as all of the above may be amended from time to time.

Article I. Director Qualification Standards

1. Individuals are considered for membership on the Board based on their character, judgment, integrity, diversity, age, skills (including financial literacy), independence, and experience in the context of the overall needs of the Board. Nominees for director are recommended to the Board by its Nominating/Governance & Conflicts Committee, which also reviews the composition of the Board, as well as the qualifications of the individual members of the Board and its various committees.
2. Because NuStar is a limited partnership, its Board is not required to be composed of a majority of directors who meet the criteria for independence required by the New York Stock Exchange (“NYSE”). However, the Board’s Audit Committee, Compensation Committee and Nominating/Governance & Conflicts Committee are composed of directors who meet the NYSE’s independence criteria. Under the NYSE’s listing standards, a director is not independent unless the Board of Directors affirmatively determines that the director has “no material relationship” with the Company. As provided for in the NYSE listing standards, the Board has adopted categorical standards or guidelines to assist the Board in making its independence determinations with respect to each director. A director’s relationship with NuStar falls within the guidelines adopted by the Board if that relationship:
 - is not a relationship that would preclude a determination of independence under Section 303A.02(b) of the NYSE Listed Company Manual;
 - consists of charitable contributions by NuStar to an organization in which a director is an executive officer and NuStar’s contributions do not exceed the greater of \$1 million or 2% of the organization’s gross revenue in any of the last three years;
 - consists of charitable contributions by NuStar to any organization with which a director, or any member of a director’s immediate family, is affiliated as an officer, director or trustee pursuant to a matching gift program of NuStar and made on terms applicable to employees and directors generally, or is in amounts that do not exceed \$250,000 per year;
 - is not a relationship required to be disclosed in NuStar’s proxy statement (or annual report on Form 10-K) per Item 404 of the SEC’s Regulation S-K.
3. NuStar GP, LLC’s limited liability company agreement requires the Board to have at least one and not more than nine members with the actual number to be determined from time to time by NuStar GP, LLC’s sole member.

4. Each director is expected to devote sufficient time and efforts to his or her duties as a member of the Board. Directors should not serve on more than three other boards of public companies in addition to the Company's board. For purposes of this section, service on the board of more than one mutual fund in the same fund complex shall be deemed to be service on a single board. The Board will periodically assess each director's ability to fulfill his or her responsibilities to the Company if he or she serves on more than three other public-company boards.
5. The Board generally believes that directors who materially change their principal occupation or assume a new position with increased responsibilities since the date they were elected to the Board should consider whether they will be able to continue to devote sufficient time to the affairs of the Board, and, if not, to offer to resign from the Board. The Board does not believe that every instance of a change in occupation, position or responsibilities would require resignation from the Board, but the Board believes that there should be an opportunity for the Board to review the continued appropriateness of Board membership under the circumstances.
6. The Board does not believe that it should establish a mandatory retirement policy, which may arbitrarily restrict the pool of talent available for service on the Board. The Board regularly evaluates the ability of each director to fulfill his or her duties, and the Board may, at any time regardless of age, request a director resign his or her membership for performance reasons.
7. The Board does not believe that it should establish term limits. The Board believes that directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history, policy and objectives. As an alternative to term limits, the Board believes that its evaluation process described in these Guidelines serve as an appropriate check on each Board member's continued effectiveness.

Article II. Director Responsibilities

1. The Board is the ultimate decision-making body of the Company except with respect to those matters reserved to the vote of the Company's unitholders. Directors are responsible for exercising their business judgment in good faith and acting in what they reasonably believe to be in the best interests of the Company. In discharging that obligation, directors are entitled to rely on the honesty and integrity of their fellow directors and the Company's executives and outside advisors and auditors. The directors are also entitled to (i) have the Company purchase reasonable directors' and officers' liability insurance on their behalf, and (ii) the benefits of indemnification to the fullest extent permitted by law, the Company's agreement of limited partnership, NuStar GP, LLC's limited liability company agreement, and any indemnification agreements.
2. Directors are expected to attend Board meetings and meetings of the committees on which they serve. Directors are expected to meet as frequently as necessary to properly discharge their responsibilities. The Chairman of the Board and Corporate Secretary are responsible for collecting and distributing to the Board all information that is important to the Board's understanding of the business to be conducted at a Board or committee meeting. The information generally should be distributed in writing to the directors before each meeting, and directors are expected to review these materials in advance of the meeting.
3. The Chairman will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on meeting agendas. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans during at least one Board meeting each year.

4. The Board does not have a general policy with respect to the separation of the offices of Chairman of the Board and Chief Executive Officer. The Board believes that this issue is best addressed as part of the Company's overall succession planning process, and that it is in the best interests of the Company for the Board to make any determination regarding separation of such offices upon any election of a new Chief Executive Officer or Chairman of the Board.
5. The Company's non-management directors will meet in executive session without management at least quarterly at regularly scheduled meetings of the Board. Each year, the Board will appoint one of its non-management members to serve as the "presiding director" for meetings of the non-management directors. His or her name will be disclosed in the Company's annual report on Form 10-K. For purposes of these Guidelines, the term "non-management directors" shall mean the members of the Board who (i) are not current employees of the Company or any of its affiliates, and (ii) have not been employees of the Company or any of its affiliates at any time during the past five years. Each executive session of non-management directors shall include such matters as the non-management directors deem appropriate. No formal action of the Board shall be taken at these meetings, although the non-management directors may recommend matters for subsequent consideration by the full Board.
6. Interested persons may send communications directly to the Board of Directors, the presiding director or the non-management directors as a group by sending such communication in writing to the Company in an envelope addressed to "Board of Directors," "Presiding Director" or "Non-Management Directors" in care of the Corporate Secretary, 19003 IH-10 West, San Antonio, Texas 78257 or corporatesecretary@nustarenergy.com.

Article III. Board Committees

1. The Board will have at all times an Audit Committee, and such other committees as the sole member of NuStar GP, LLC shall determine. All of the members of the Audit Committee will be "independent" directors under the criteria established by the NYSE and will be appointed by the Board.
2. The Audit Committee shall have a charter that complies with the listing standards of the NYSE and all applicable laws and regulations. Each other standing committee may have a charter as determined in the discretion of the Board.
3. The Chair of each committee, in consultation with committee members and Company management, will determine a schedule of regular committee meetings and will develop the committee's agenda for each meeting. The schedule of meetings for each committee will be furnished to all directors.

Article IV. Director Access to Management, Employees and Advisors

1. Directors have free access to members of management and employees of the Company. To the extent appropriate, directors are expected to copy the Chairman of the Board or Corporate Secretary on any written communications between a director and an officer or employee of the Company. Such communications should not be directive other than as relates to routine administrative matters.
2. The Board expects regular attendance and participation of executive officers of the Company at each Board meeting, subject to the Board's right in all instances to meet in executive session or with a more limited number of management representatives.

3. The Board has sole authority to select, retain and/or replace, as needed, outside advisors to provide independent advice to the Board.

Article V. Director Compensation

1. The form and amount of director compensation will be determined by the Board upon recommendation of the Compensation Committee in accordance with the policies and principles set forth in its charter and any NYSE listing standard or other applicable rules. The Compensation Committee will conduct a periodic review of director compensation.
2. The Board believes that all directors should own equity in the Company in accordance with the guidelines, policies and plans approved by the Compensation Committee. The Board acknowledges that a director's independence may be jeopardized if his or her compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

Article VI. Director Orientation and Continuing Education

1. All new directors must participate in an orientation program of the Company as soon as reasonably practical after joining the Board. The orientation generally should include presentations by senior management and other appropriate individuals to familiarize new directors with the Company's operations, strategic plans, significant risks, compliance programs (including policies and procedures for the purchase and sale of Company securities), *Code of Business Conduct and Ethics*, principal officers, and internal and independent auditors.
2. The Board will also consider whether continuing education in certain areas is warranted for its directors. The Company will pay all reasonable expenses for a director's participation in continuing education programs approved by the Board.

Article VII. Management Succession and CEO Evaluation

1. The Compensation Committee shall oversee the Company's management succession planning programs and shall make periodic reports thereof to the Board. The full Board will work with the Compensation Committee to evaluate potential successors to the office of Chief Executive Officer. The Chief Executive Officer should at all times make available his recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.
2. The Compensation Committee will conduct an annual review of the Chief Executive Officer's performance. Performance goals and objectives for the Chief Executive Officer's compensation will be determined by the Compensation Committee. The Compensation Committee will evaluate the Chief Executive Officer's performance in light of the criteria, goals and objectives established by the committee, and will make a report of its evaluation to the non-management directors meeting in executive session. The non-management directors will review the Compensation Committee's report in order to confirm that the Chief Executive Officer is providing effective leadership for the Company.
3. In the event of an emergency or the retirement of the Chief Executive Officer or President, Section 9(g) of NuStar GP, LLC's limited liability company agreement provides that any vacancy occurring in that office because of death, resignation, removal or otherwise may be filled by the Board for the unexpired term of the office.

Article VIII. Annual Performance Evaluation

The Board and its committees will conduct annual self-evaluations to determine their effectiveness.