

Universal Corporation
Board of Directors
Executive Compensation,
Nominating and Corporate Governance Committee Charter
Effective April 7, 2004

I. Establishment and Purpose

- 1.1 The Executive Compensation, Nominating and Corporate Governance Committee (the “Committee”) of the Board of Directors (“Board”) of Universal Corporation (“Universal” or the “Company”) performs a three-fold function. First, the Committee is responsible, subject to approval of the Board, for establishing and maintaining a competitive compensation program for the Directors and Executives of the Company in order to attract, retain and motivate key contributors to the success of Universal. The Committee shall make recommendations to the Board with respect to such compensation program as the Committee deems appropriate. Second, the Committee is responsible, subject to approval of the Board, for determining criteria for Board membership, for identifying specific individuals qualified to be members of the Board and for making recommendations to the Board with respect to such nominations. Lastly, the Committee is responsible for developing and recommending to the Board a set of corporate governance principals applicable to the Company and overseeing the evaluation of the Board and Executives of the Company.
- 1.2 For purposes of this Charter, “Directors” refers to non-employee members of the Board and “Executive” refers to the Chief Executive Officer of the Company, any corporate officers named in the proxy statement who report to the Chief Executive Officer and any other employee or class of employees of Universal or its subsidiaries designated by the Committee to be an “Executive” for purposes of this Charter.

II. Composition and Term of Office

- 2.1 The Committee shall consist of three or more Directors each of whom is deemed “independent” under the standards set forth in Section 303A of the New York Stock Exchange, Inc., a “non-employee director” within the meaning of Rule 16b-3 promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934 and an “outside” director as defined under Section 162(m) of the Internal Revenue Code of 1986, as amended, to the extent applicable (an “Independent Director”). Members of the Committee shall be appointed annually by the Board at its annual meeting or as necessary to fill vacancies in the interim.
- 2.2 At its annual meeting, the Board shall appoint the members of the Committee for the ensuing year and each member shall serve until such member’s successor is duly elected

and qualified or until such member's earlier resignation or removal. The Board may, at any time and in its complete discretion, remove any member of the Committee and may fill any vacancy in the Committee.

- 2.3 A majority of the Committee members (but not less than two) shall comprise a quorum of the Committee, sufficient to conduct a meeting. Members of the Committee may be present at a meeting or may participate by telephone or through other methods of telecommunication, as determined by the Committee.
- 2.4. The Committee may seek the assistance and counsel of outside advisors, at Universal's expense, as the Committee in its sole discretion determines appropriate. The Committee shall have the sole authority to retain and terminate such advisors, and to approve the fees payable to such advisors and any other terms of retention.
- 2.5 The Committee may delegate any and all of its responsibilities to subcommittees composed entirely of Independent Directors of the Committee. Such subcommittees must have a published committee charter.

III. Duties and Responsibilities – Executive Compensation Functions

- 3.1 The duties and responsibilities of the Committee with respect to its executive compensation functions are as follows:
 - (a) To review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate annually the Chief Executive Officer's performance in light of those goals and objectives, and determine and approve the Chief Executive Officer's total compensation (base salary, annual incentive target opportunity and long-term incentive opportunity) based on this evaluation;
 - (b) To review and approve total compensation (base salary, annual incentive target opportunity and long-term incentive opportunity), as recommended by the Chief Executive Officer, for Executives other than the Chief Executive Officer and make recommendations to the Board for approval;
 - (c) To review and approve periodically the compensation (including, as appropriate, retainers, meeting fees, long-term incentive compensation, benefits and perquisites) for each Director;
 - (d) To review, approve and recommend the compensation strategy for the Executives and the Directors and ensure the compensation strategy rewards the Executives and the Directors appropriately for their contributions to the Company's success and that the compensation strategy supports Universal's objectives and shareholder interests. The current compensation strategy is attached as Exhibit A;

- (e) To produce a compensation report on executive compensation as required by the SEC to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC; and
- (f) To undertake such other responsibilities, tasks or projects as the Board may delegate or assign to the Committee with respect to its executive compensation function from time to time.

IV. Duties and Responsibilities – Nominating Functions

- 4.1 The duties and responsibilities of the Committee with respect to its nominating functions are as follows:
- (a) To devise criteria for membership on the Board;
 - (b) To identify specific individuals qualified to become members of the Board for nomination to Board positions and assignment to particular committees of the Board;
 - (c) To solicit and review recommendations of the Board members with respect to specific nominees for Board positions and assignment to particular committees of the Board;
 - (d) To accept and review other recommendations with respect to specific nominees for Board positions and assignment to particular committees of the Board;
 - (e) To recommend that the Board select specific nominees for the Board for the next annual meeting of shareholders; and
 - (f) To undertake such other responsibilities, tasks or projects as the Board may delegate or assign to the Committee with respect to its nominating function from time to time.
- 4.2 The Committee shall also, as needed, review changes that may affect the "independence" of a Director and/or conflicts of interest between Universal and a Director and make recommendations to the Board regarding the re-election of any such Director.

V. Duties and Responsibilities – Corporate Governance Functions

- 5.1 The duties and responsibilities of the Committee with respect to its corporate governance functions are as follows:
- (a) To develop and recommend to the Board a set of corporate governance principals applicable to the Company;
 - (b) To oversee the evaluation of the Board and Executives; and

- (c) To undertake such other responsibilities, tasks or projects as the Board may delegate or assign to the Committee with respect to its corporate governance function from time to time.

VI. Implementation of Duties

- 6.1 The Committee may establish such rules, regulations and procedures as it determines appropriate and reasonably necessary for it to undertake its duties and responsibilities as set forth in this Charter.
- 6.2 The Committee shall maintain appropriate procedures to ensure accurate meeting agendas and minutes are prepared and filed in draft form as soon as practicable, with such meeting minutes presented to the Committee for approval at the next regularly scheduled Committee meeting. Such meeting agendas and minutes shall be filed in the Committee minute book upon approval.
- 6.3 Unless a chairman is elected by the full Board, the members of the Committee shall designate a chairman by majority vote of the full Committee membership. The chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

VII. Evaluation and Reporting

- 7.1 The Committee shall perform an annual review and evaluation of the performance of the Committee, including reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct evaluations and reviews in such manner as it deems appropriate.
- 7.2 The Committee is accountable to the Board and shall report to the Board on its activities at such times as requested by the Board

VIII. Meetings and Schedule of Activities

- 8.1 The Committee shall meet at least three times annually, or more frequently as circumstances dictate. The chairman of the Board or any member of the Committee may call meetings of the Committee.
- 8.2 The major annual activities of the Committee are as follows:
 - March Review report from the Chief Executive Officer on performance of other Executives and recommendations for salary changes

 - Review and approve annual base salary adjustments

	Review competitiveness of compensation program
April	Approve Compensation Committee Report
	Approve annual incentives plan awards
	Approve annual incentive plan performance targets/formula design for ensuing year
November	Approve grants/awards under the Company's Executive Stock Plan
As appropriate	Recommend to the Board for consideration and approval any new or amendments to any existing executive incentive plan or executive benefit plan
As appropriate	Address key new hires, retention and succession issues
As appropriate	Address nominating issues

IX. Amendment

9.1 The Committee shall suggest to the Board for approval any amendments to this Charter, including the schedule of activities, as the Committee deems appropriate to ensure this Charter accurately reflects the Committee's duties, responsibilities and activities.

Compensation Strategy

The compensation strategy of the Company is as follows:

- (a) To administer Universal's executive compensation and benefits to attract, motivate, reward and retain the management talent required to achieve the Company's business objectives, at compensation levels that are fair and equitable and competitive with those of comparable companies;
- (b) To link compensation to individual and corporate performance;
- (c) To ensure market competitiveness of individual compensation levels for Universal executives; and
- (d) To encourage significant stock ownership by senior management in order to align the financial interest of senior management with those of the shareholders.