

The Automatic Dividend Reinvestment Plan (the "Plan") of Universal Corporation ("Universal") offers you an opportunity to increase your holdings in shares of Universal common stock without the payment of brokerage fees, commissions or any administrative charges. The Plan allows you to reinvest your dividends from all or a designated portion of your common stock holdings. You also may make additional cash investments in the Plan from a minimum of \$10 to a maximum of \$1,000 each month. Under the Plan, your dividends are promptly reinvested for you thereby increasing your common stock holdings in Universal. All the administrative work is done for you automatically by Wells Fargo Bank, N.A. (the "Bank"), as Plan Agent, and you will receive regular statements from the Bank, providing you with a permanent record of your transactions. Since the shares are purchased for you at prevailing market prices on a regular basis, you realize the long-range benefits of dollar-cost averaging. The Plan also acts as a self-elected savings program.

PARTICIPATION IN THE PLAN

All holders of record of shares of Universal common stock are eligible to participate in the Plan. Beneficial owners of Universal common stock whose shares are registered in names other than their own may participate in the Plan by either having some or all of their shares transferred into their own name. Shareholders of record may participate in the Plan by requesting an authorization card from:

Wells Fargo Bank, N.A.
Shareowner Services
Dividend Reinvestment Department
P.O. Box 64856
St. Paul, MN 55164-0856

According to your election on the authorization card, cash dividends either from all or from the number of shares you designate will be sent to the Bank for reinvestment in the Plan.

HOW THE AUTOMATIC DIVIDEND REINVESTMENT PLAN WORKS

Once you are enrolled, the Plan is automatic. The Bank will be sent the cash dividends paid on your shares of Universal common stock and will use these funds to buy more shares for you at the then current market price. The dividends will ordinarily be received on the second Monday in February, May, August, and November (including dividends on any additional shares acquired under the Plan). If your dividend is not large enough to buy a full share, the Bank will credit your account with a fractional share, computed to three decimal places, which will also earn additional dividends for you.

You will receive a detailed statement of your Plan account following each dividend reinvestment transaction showing the total amount of the cash dividends credited to your account, the total number of full and fractional shares purchased, and the total number of shares in the Plan held by you and by the Bank.

The Bank will hold the shares it has purchased for you until you terminate your participation in the Plan. This convenience provides you additional protection against loss, theft or inadvertent destruction of your stock certificates. Certificates for full shares purchased under the Plan will be issued to you upon the receipt of your written request by the Bank. You may also deposit your original certificate(s) into your dividend reinvestment account for safekeeping.

You may terminate your participation in the Plan at any time by written notice to the Bank and all subsequently declared cash dividends will be sent directly to you. Upon termination, stock certificates for any full number of shares held in your account by the Bank will be issued in your name or, on your written instructions to the Bank, sold for you. Any fractional shares at the time of termination will be converted by the Bank into cash on the basis of the then current market price of shares of Universal common stock. You may change the number of shares for which dividends are reinvested for you by notifying the Bank in writing at any time. However, to be effective for the next reinvestment of your dividends, notice of such change must be received by the Bank on or before the record date of the dividend payment. If you have

designated reinvestment of all your shares and subsequently dispose of some portion of yours, the Bank will continue to reinvest the dividends received on your remaining shares. If you have authorized the reinvestment of dividends on only a designated portion of the shares registered in your name and subsequently dispose of some of your shares, the Bank will continue to reinvest the dividends received on the lesser of either (a) the number of shares of common stock with respect to which the reinvestment of dividends was originally authorized or (b) all of the remaining shares of common stock registered in your name.

Your attention is directed to the Terms and Conditions set forth herein which govern the operation of the Plan by the Bank.

YOU MAY ALSO INVEST ADDITIONAL CASH

As a participant in the Automatic Dividend Reinvestment Plan, you may also increase your investment in shares of Universal common stock in any month by paying from \$10 to a maximum of \$1,000 in cash to the Bank. Your cash payment must be received by the Bank the day prior to the first business day of the month to participate in purchases of common stock for that month; funds received on or after that date will be held by the Bank and used to purchase shares in the following month. Any cash payment will be refunded if a written request for such refund is received by the Bank forty-eight (48) hours prior to the first day of the month during which the money was to be invested. You will receive a Plan statement indicating the number of new shares held by the Bank in your account following each monthly cash purchase transaction.

Through the Plan's automatic deduction feature, participants may elect to invest additional funds in Universal common stock through optional cash payments, paid by electronic funds transfer and withdrawn automatically from a participant's pre-designated bank account. To invest additional funds by automatic deduction, participants must first complete and sign an Automatic Deduction Form and return the Form to the Bank. Automatic Deduction Forms are available upon request from the Bank. After the automatic monthly deduction option is initiated, funds will be drawn from the participant's designated bank account on or about five business days preceding the next investment date of each month and will be invested in Universal common stock beginning on the investment date.

Forms will be processed and will become effective as promptly as practicable. Participants may change the designated account for automatic deduction or discontinue this feature by written instruction to the Bank.

WHAT IS THE COST

THERE IS NO COST TO YOU. Universal is paying all brokerage fees, commissions and administrative charges incurred under the Plan as an additional shareholder service.

TAXES

Dividends, even though automatically reinvested, are items of taxable income to you. The payment of brokerage fees and commissions by Universal on your behalf are deemed to be a taxable dividend. The amount of your dividends and the amount of any brokerage fees and commissions paid on your behalf will be reported to you and the Internal Revenue Service at year end by the Bank.

WHEN THE PLAN STARTS

Your participation in the Plan will begin with the next common stock dividend payable after receipt of your authorization by the Bank; however, should your authorization arrive after the dividend record date, the Bank will be obliged to delay your dividend reinvestment participation in the Plan until the following dividend payment date. However, you may make a cash investment immediately following your enrollment in the Plan. Once you are enrolled, the program will continue automatically so long as you wish to remain a participant in the Plan.

TERMS AND CONDITIONS OF AUTHORIZATION OF THE AUTOMATIC DIVIDEND REINVESTMENT PLAN

1. As agent for a participant in the Automatic Dividend Reinvestment Plan, Wells Fargo Bank, N.A. (the "Bank") will apply all dividends received (a) on the number of shares of common stock of Universal Corporation ("Universal") designated by the participant for participation in the Plan, and (b) on any full or fractional shares subsequently acquired by the participant under the Plan toward the purchase of additional full or fractional shares for the participant's account. Such purchases may be made on any securities exchange where such shares are traded, in the over-the-counter market or in negotiated transactions, and may be on such terms as to price, delivery and otherwise as the Bank may determine. No purchases will be made from Universal or any of its affiliates.
2. In making purchases for a participant's account, the Bank will commingle the participant's funds with those of other participants in the Plan. The price at which the Bank shall be deemed to have acquired shares for a participant's account with any cash dividend received from Universal or from any additional cash investment by the participant, shall be the average price of all shares purchased by it with such cash dividends or additional cash investments. The Bank may hold the shares of all participants together in its name or in the name of its nominee. The Bank shall have no responsibility as to the value of the shares acquired for the participant's account. The Bank will invest dividends received within thirty (30) days after receipt and additional cash investments within thirty (30) days of the first business day of the month following the month of receipt except when purchases under the Plan have to be temporarily curtailed or suspended to comply with applicable rules and regulations of the Securities and Exchange Commission.
3. The Bank will confirm its purchases to participants in the Plan as soon as practicable after the purchases are completed, but no certificates will be issued to a participant for such shares unless the participant so requests in writing or until the account is terminated. Any certificate request will not have to be renewed following each dividend reinvestment date but will remain in effect until revoked by a participant. Certificates for fractional shares will not be issued.
4. A participant may elect to deposit their original certificate(s) into their account for safekeeping by sending the certificate(s) to the Bank together with instructions to deposit the certificate(s) into the Plan. The transaction will appear on the statement for that period and shares will be held by the Bank in its name or nominee name. These shares will be held in the account until the participant requests a certificate, sale or termination from the Plan. Because participants bear the risk of loss in sending stock certificates, it is recommended that they use certified mail, return receipt requested, and that the mailing be properly insured. Certificates need not be endorsed. Participants should note that cost basis records for such deposited shares cannot be provided by the Bank or Universal. A record of the purchase price should be retained by the participant.
5. The Bank will vote any shares that it holds in the Plan for a participant in accordance with the proxy returned by the Participant to Universal. If a participant disposes of all shares registered in his name on the stock record books of Universal, voting instructions for the shares held by the Bank for such participant may be solicited, and the Bank will vote such shares in accordance with the participant's direction.
6. Participation in the Plan may be terminated at any time by written notice received by the Bank or in the case of death or adjudicated incompetency of a Plan participant by a similarly received written notice of such an event.

In the event written notice of termination, death, or adjudicated incompetency is received by the Bank prior to the determination by the Bank of the number of shares to be purchased for a participant following a dividend record date, participation in the Plan shall be terminated immediately. Upon termination by reason of notice of death or adjudicated incompetency, no purchases of shares shall be made for a participant's account and any cash dividends paid

thereon shall be retained by the Bank subject to these Terms and Conditions until such time as such participant's legal representative shall have been appointed and shall have furnished proof satisfactory to the Bank of his right to receive payment. If the written notice of termination is received during a month following a cash contribution by a participant, distribution will be delayed until the purchase of the shares is completed. Upon termination the Bank will send the participant a certificate for the number of full shares in his account and a check in the amount equal to the then current market price of any fractional share.

In connection with any termination, upon receipt of written instructions from the participant to so act, the Bank will sell the participant's full shares as soon as is practicable following termination and send to the participant a check representing the total sale proceeds. If a participant disposes of all shares registered in his name on the stock record books of Universal, the Bank will automatically terminate his participation in the Plan following the next dividend payable date and send the participant a certificate for the number of full shares held in his account by the Bank and a check in payment of any fractional share interests.

7. If a participant who has authorized the reinvestment of dividends on only a designated number of shares registered in his name subsequently disposes of some of these shares, the Bank will continue to reinvest the dividends received on the lesser of either (a) the number of shares of common stock with respect to which the reinvestment of dividends was originally authorized by him, or (b) all of the remaining shares of common stock registered in his name.
8. A participant who desires to purchase additional shares of common stock of Universal in any month may do so by paying an amount from \$10 to a maximum of \$1,000 in cash to the Bank. Cash may be paid in the form of an automatic deduction. Cash payments must be received by the Bank the day prior to the first business day of the month in order to participate in purchases for that month; any amounts received on or after that date will be held by the Bank and used to purchase shares in the following month. While uninvested funds are in the custody of the Bank, no interest or similar consideration will be paid on such funds by the Bank. Participants have an unconditional right to obtain the return of any cash contributions made by them pursuant to this Section by giving the Bank written notice forty-eight (48) hours prior to the first day of the month in which the funds are to be invested.
9. Universal may modify, suspend or terminate the Plan at any time by mailing written notice of such modification, suspension or termination to the participants.
10. It is understood that any stock dividends or split shares distributed by Universal on shares held by the Bank for the participant will be credited to the participant's account. In the event that Universal makes available to its shareholders rights to purchase additional shares or other securities, the Bank will distribute to participants any rights certificates issued by Universal on shares held by the Bank for such participants.
11. Neither Universal nor the Bank shall be liable hereunder for any act done in good faith, or for any good faith omission to act, including, without limitation, any claims or liability (a) arising out of any such act or omission to act which occurs prior to the termination of participation pursuant to items 5 or 8 above and (b) with respect to the prices at which shares are purchased for a participant's account and the times such purchases are made.
12. The Terms and Conditions of the Plan and the Authorization shall be governed by the Laws of the Commonwealth of Virginia.