

UNIVERSAL CORP /VA/
Form DEF 14A
June 25, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No. __)
Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

UNIVERSAL CORPORATION

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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 - (4) Proposed maximum aggregate value of transaction:
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-

ANNUAL MEETING OF SHAREHOLDERS

June 26, 2014

Dear Shareholder:

You are cordially invited to attend the 2014 Annual Meeting of Shareholders of Universal Corporation, which is to be held in our headquarters building located at 9201 Forest Hill Avenue, Stony Point II Building, Richmond, Virginia 23235, on Tuesday, August 5, 2014, commencing at 2:00 p.m., Eastern Time. At the Annual Meeting, you will be asked to (i) elect as directors the three nominees to the Board of Directors named in the accompanying Proxy Statement to serve three-year terms; (ii) cast an advisory vote to approve named executive officer compensation; (iii) ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm for the fiscal year ending March 31, 2015; and (iv) approve the Universal Corporation Amended and Restated Executive Officer Annual Incentive Plan.

Please note that brokers may not vote your shares on the election of directors and most other proposals in the absence of your specific instructions as to how to vote. Whether or not you plan to attend the Annual Meeting, it is important that your shares be represented and voted at the Annual Meeting. Registered shareholders may vote by signing, dating, and returning the enclosed proxy card or voting instruction, or they may vote over the Internet or by telephone. Instructions for using these convenient services are set forth in the instructions for voting that are attached to the enclosed proxy card or voting instruction. Beneficial owners of shares of our Common Stock held in street name through a bank or brokerage account should follow the enclosed instructions for voting their shares. I hope you will be able to attend the Annual Meeting, but even if you cannot, please vote your shares as promptly as possible.

Sincerely,

GEORGE C. FREEMAN, III
Chairman, President, and
Chief Executive Officer

Universal Corporation
P.O. Box 25099
Richmond, Virginia 23260

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of Universal Corporation will be held in our headquarters building located at 9201 Forest Hill Avenue, Stony Point II Building, Richmond, Virginia 23235, on Tuesday, August 5, 2014, at 2:00 p.m., Eastern Time, for the following purposes:

- (1) to elect as directors the three nominees to the Board of Directors named in the accompanying Proxy Statement to serve three-year terms;
- (2) to approve a non-binding advisory resolution approving the compensation of our named executive officers;
- (3) to ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm for the fiscal year ending March 31, 2015;
- (4) to approve the Universal Corporation Amended and Restated Executive Officer Annual Incentive Plan;
and
- (5) to act upon such other matters as may properly come before the meeting or any adjournments or postponements thereof.

Only holders of record of shares of our Common Stock at the close of business on June 13, 2014, shall be entitled to vote at the Annual Meeting.

Please note that brokers may not vote your shares on the election of directors, the advisory vote on executive compensation, or on the approval of the Universal Corporation Amended and Restated Executive Officer Annual Incentive Plan, in the absence of your specific instructions as to how to vote. Whether or not you expect to attend the Annual Meeting in person, it is important that you vote and we urge you to vote on-line, by phone or complete, sign, date, and return the enclosed proxy in the envelope provided.

By Order of the Board of Directors,

PRESTON D. WIGNER
Secretary

June 26, 2014

PROXY STATEMENT

FOR ANNUAL MEETING OF SHAREHOLDERS OF UNIVERSAL CORPORATION

TO BE HELD AUGUST 5, 2014

APPROXIMATE DATE OF MAILING - JUNE 26, 2014

This Proxy Statement sets forth certain information with respect to the accompanying proxy to be used at the 2014 Annual Meeting of Shareholders of Universal Corporation, which we refer to as the Annual Meeting, or at any adjournments or postponements thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. The Board of Directors has designated our headquarters building located at 9201 Forest Hill Avenue, Stony Point II Building, Richmond, Virginia 23235, as the place of the Annual Meeting. The Annual Meeting will be called to order at 2:00 p.m., Eastern Time, on Tuesday, August 5, 2014.

The Board of Directors solicits this proxy and urges you to vote immediately. Unless the context otherwise indicates, reference to "Universal," "we," "us," "our," or "the Company" means Universal Corporation.

Our Annual Report on Form 10-K for the fiscal year ended March 31, 2014, which we refer to as the fiscal year 2014 Annual Report, is being mailed concurrently with this Proxy Statement to our shareholders. Unless otherwise specifically stated, our fiscal year 2014 Annual Report is not incorporated into this Proxy Statement and shall not be considered a part of this Proxy Statement or soliciting materials.

QUESTIONS AND ANSWERS FOR ANNUAL MEETING

Q: Who is asking for my vote and why are you sending me this document?

The Board of Directors asks that you vote on the matters listed in the Notice of Annual Meeting of Shareholders, which are more fully described in this Proxy Statement. We are providing this Proxy Statement and related proxy A: card or voting instruction to our shareholders in connection with the solicitation by the Board of Directors of proxies to be voted at the Annual Meeting. A proxy, if duly executed and not revoked, will be voted and if it contains any specific instructions will be voted in accordance with those instructions.

Q: Who is eligible to vote?

You may vote if you owned shares of Universal Corporation common stock, which we refer to as Common Stock, on June 13, 2014, the record date established by the Board of Directors under Virginia law for determining A: shareholders entitled to notice of and to vote at the Annual Meeting. We had outstanding as of the record date 23,197,432 shares of Common Stock, each of which is entitled to one vote per share. Only shareholders of record of Common Stock at the close of business on June 13, 2014, will be entitled to vote.

We issued shares of Series B 6.75% Convertible Perpetual Preferred Stock in 2006, which we refer to as Preferred Stock. Shares of Preferred Stock have voting rights under certain circumstances. We believe that none of those circumstances exist with respect to the Annual Meeting, so shares of Preferred Stock have no voting rights with respect to matters presented in this Proxy Statement.

Q: What is a proxy?

A:

A proxy is your legal designation of another person to vote the stock you own. If you designate someone as your proxy or proxy holder in a written document, that document also is called a proxy or a proxy card. Messrs. Preston D. Wigner and David C. Moore have been designated as proxies or proxy holders for the Annual Meeting. Proxies properly executed and received by our Secretary prior to the Annual Meeting and not revoked will be voted in accordance with the terms thereof.

Q: What is a voting instruction?

A: A voting instruction is the instruction form you receive from your bank, broker, or other nominee if you hold your shares of Common Stock in street name. The instruction form instructs you how to direct your bank, broker, or other nominee, as record holder, to vote your shares of Common Stock.

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Q: What am I voting on at the Annual Meeting?

A: You will be voting on the following matters:

The election of the three nominees to the Board of Directors set forth in this Proxy Statement,
The approval of a non-binding advisory resolution approving the compensation of our named executive officers,
The ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm for the fiscal year ending March 31, 2015,
The approval of the Universal Corporation Amended and Restated Executive Officer Annual Incentive Plan, which we refer to as the Annual Incentive Plan, and
Any other business properly raised at the Annual Meeting or any adjournments or postponements thereof.

We are not aware of any matters that are to come before the Annual Meeting other than those described in this Proxy Statement. If other matters do properly come before the Annual Meeting, however, it is the intention of the persons named in the enclosed proxy card to exercise the discretionary authority conferred by the proxy to vote such proxy in accordance with their best judgment.

Q: What constitutes a quorum and how many votes must be present to hold the Annual Meeting?

In order for the Annual Meeting to be conducted, a majority of the shares entitled to vote (i.e., a majority of the outstanding shares of Common Stock as of the record date) must be present in person or represented by proxy at the Annual Meeting for the transaction of business at the Annual Meeting. This is referred to as a quorum. Abstentions, withheld votes, and shares held of record by a bank, broker, or other nominee ("broker shares") that are voted on any matter are included in determining the number of votes present. Broker shares that are voted on at least one matter will be counted for purposes of determining the existence of a quorum for the transaction of business at the Annual Meeting. Broker shares that are not voted on any matter will not be included in determining whether a quorum is present. In the event that a quorum is not present at the Annual Meeting, it is expected that the Annual Meeting will be adjourned or postponed to solicit additional proxies. It is very important, therefore, that you vote your shares.

Q: What vote is needed to elect directors?

A: The election of each nominee for director requires the affirmative vote of the holders of a plurality of the shares of Common Stock voted in the election of directors.

Q: What vote is needed to approve the non-binding advisory resolution approving the compensation of our named executive officers?

A: The approval of the non-binding advisory proposal regarding the compensation of our named executive officers requires that the votes cast in favor of the proposal exceed the number of votes cast against the proposal. The Board of Directors and the Compensation and Governance Committee value the opinions of our shareholders. To the extent that there is any significant vote against executive compensation, the Board of Directors and the Compensation and Governance Committee will consider shareholder concerns and evaluate whether any actions are necessary to address those concerns.

Q: What vote is needed to ratify the appointment of Ernst & Young LLP?

A: The ratification of the appointment of Ernst & Young LLP requires that the number of votes cast in favor of the ratification exceed the number of votes cast in opposition to the ratification.

Q: What vote is needed to approve the Annual Incentive Plan?

A: The approval of the Annual Incentive Plan requires the affirmative vote of the holders of a majority of the shares of Common Stock cast on the proposal to approve the Annual Incentive Plan; provided that the total of the votes cast on the proposal to approve the Annual Incentive Plan represents over 50% of the outstanding shares of Common Stock.

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Q: What are the voting recommendations of the Board of Directors?

A: The Board of Directors recommends that shareholders vote "FOR" all of the proposed nominees for director named in this Proxy Statement; "FOR" the approval of the non-binding resolution regarding named executive officer compensation; "FOR" the ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm for the fiscal year ending March 31, 2015; and "FOR" the approval of the Annual Incentive Plan.

Q: How do I vote?

A: Registered shareholders (shareholders who hold Common Stock in certificated form as opposed to through a bank, broker, or other nominee) may vote in person at the Annual Meeting or by proxy. Registered shareholders have the following ways to vote by proxy:

By mail - complete, sign, date, and return the enclosed proxy card or voting instruction, or
Over the Internet or by telephone - follow the instructions provided on the enclosed proxy card or voting instruction.

Registered shareholders are urged to deliver proxies and voting instructions by using the Internet, by calling the toll-free telephone number, or by completing and mailing the enclosed proxy card or voting instruction. The Internet and telephone voting procedures are designed to authenticate shareholders' identities, to allow shareholders to give their proxies or voting instructions, and to confirm that such instructions have been recorded properly. Instructions for voting over the Internet or by telephone are set forth on the enclosed proxy card. Registered shareholders may also send their proxies or voting instructions by completing, signing, and dating the enclosed proxy card or voting instruction and returning it as promptly as possible in the enclosed postage-paid envelope.

Shareholders who hold Common Stock through a bank, broker, or other nominee (street name shareholders) who wish to vote at the Annual Meeting should be provided voting instructions from the institution that holds their shares. If this has not occurred, please contact the institution that holds your shares. Street name shareholders may also be eligible to vote their shares electronically by following the voting instructions provided by the bank, broker, or other nominee that holds the shares, using either the Internet address or the toll-free telephone number provided on the voting instruction, or otherwise complete, date, and sign the voting instruction and return it promptly in the enclosed pre-paid envelope.

The deadline for voting electronically over the Internet or by telephone is 11:59 a.m., Eastern Time, on August 4, 2014.

Q: Can I attend the Annual Meeting?

A: The Annual Meeting is open to all holders of our Common Stock as of the close of business on the record date, June 13, 2014. You may vote by attending the Annual Meeting and voting in person. Even if you plan to attend the Annual Meeting, we encourage you to vote your shares by proxy. We will not permit cameras, recording devices, and other electronic devices at the Annual Meeting.

Q: What do I need in order to attend the Annual Meeting in person?

A: Any shareholder of record may attend the Annual Meeting; however, street name holders must have a legal proxy from their bank or broker and bring that proxy to the Annual Meeting in order to attend the Annual Meeting.

Q: Can I withhold my vote?

A: You may withhold your vote with respect to the election of directors.

Q: Can I change or revoke my proxy?

A: Any shareholder who gives a proxy may change or revoke his or her proxy at any time before it is voted at the Annual Meeting. A shareholder may change or revoke his or her proxy by:

giving written notice of revocation to our Secretary, whose address is on page 6 of this Proxy Statement, executing a proxy dated as of a later date, or voting in person at the Annual Meeting.

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If you voted over the Internet or by telephone, you can also revoke your vote by any of these methods or you can change your vote by voting again over the Internet or by telephone. If you decide to vote by completing, signing, dating, and returning the enclosed proxy card, you should retain a copy of the voter control number found on the proxy card in the event that you decide later to change or revoke your proxy over the Internet or by telephone. Your attendance at the Annual Meeting will not itself revoke a proxy.

If you are a shareholder whose stock is held in street name with a bank, broker, or other nominee, you must follow the instructions found on the voting instruction card provided by the bank, broker, or other nominee, or contact your bank, broker, or other nominee in order to change or revoke your previously given proxy.

Q: How will my shares be voted if I sign, date, and return my proxy card or voting instruction card, but do not provide complete voting instructions with respect to each proposal?

Shareholders should specify their choice for each matter on the enclosed proxy. If no specific instructions are given, it is intended that all proxies that are signed and returned will be voted "FOR" the election of all of the nominees for director named in this Proxy Statement; "FOR" the approval of the non-binding resolution regarding A: named executive officer compensation; "FOR" the ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm for the fiscal year ending March 31, 2015; "FOR" the approval of the Annual Incentive Plan; and according to the discretion of the proxy holders on any other business proposal properly raised at the Annual Meeting.

As to any other business that may properly come before the Annual Meeting, the persons named in the enclosed proxy card or voting instruction will vote the shares of Common Stock represented by the proxy in the manner as the Board of Directors may recommend, or otherwise in the proxy holders' discretion. The Board of Directors does not presently know of any other such business.

Q: Will my shares be voted if I do not provide my proxy?

It will depend on how your ownership of shares of Common Stock is registered. If you own your shares as a registered holder, which means that your shares of Common Stock are registered in your name with our transfer agent, your unvoted shares will not be represented at the Annual Meeting. They also will not count toward the A: quorum requirement, which is explained under "What constitutes a quorum and how many votes must be present to hold the Annual Meeting?" on page 2 of this Proxy Statement, unless you attend the Annual Meeting to vote them in person.

If you are a shareholder whose shares of Common Stock are held in street name, which means that your shares are registered with our transfer agent in the name of your bank, broker or other nominee, then your bank, broker, or other nominee may or may not vote your shares in its discretion if you have not provided voting instructions to the bank, broker, or other nominee. Whether the bank, broker or other nominee may vote your shares depends on the proposals before the Annual Meeting. Brokers have the discretionary authority under the rules of the New York Stock Exchange, which we also refer to as the NYSE, to vote shares for which their clients do not provide voting instructions on certain "routine" matters.

The rules of the NYSE, however, do not permit your bank, broker or other nominee to vote your shares on proposals that are not considered "routine." When a proposal is not a routine matter and your bank, broker or other nominee has not received your voting instructions with respect to that proposal, your bank, broker or other nominee cannot vote your shares on that proposal. Where brokers do not have discretion to vote or do not exercise such discretion, the inability or failure to vote is referred to as a "broker non-vote." Under circumstances where a broker is not permitted to, or does not, exercise its discretion, assuming proper disclosure to us of such inability to vote, broker non-votes will

not be counted as voting in favor of or against the particular matter. Please note that your bank, broker or other nominee may not vote your shares with respect to (i) the election of the three nominees for director, (ii) the non-binding proposal regarding the approval of the compensation of our named executive officers, or (iii) the proposal to approve the Annual Incentive Plan, in the absence of your specific instructions as to how to vote with respect to these matters, because under the rules of the NYSE, these matters are not considered “routine” matters. Based on NYSE rules, we believe that the ratification of the appointment of Ernst & Young LLP is a routine matter for which brokerage firms may vote on behalf of their clients if no voting instructions are provided. Therefore, if you are a shareholder whose shares of Common Stock are held in street name with a bank, broker or other nominee and you do not return your voting instruction card, your bank, broker or other nominee may vote your shares “FOR” the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm. Please return your proxy card so your vote can be counted.

Q: How are abstentions and broker non-votes counted?

A: With respect to the election of directors, abstentions, withheld votes and broker non-votes will not be included in the vote total for the proposal to elect the nominees named in this Proxy Statement for director and will not affect the outcome of the vote for that proposal.

With respect to the advisory vote on executive compensation, abstentions and broker non-votes will have no effect on the proposal and will not count either in favor of, or against, the non-binding proposal.

With respect to the ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm for the fiscal year ending March 31, 2015, abstentions and broker non-votes will have no effect on the proposal and will not count either in favor of, or against, the proposal.

With respect to the approval of the Annual Incentive Plan, abstentions and broker non-votes will have no effect on the proposal and will not count either in favor of, or against, the proposal, provided that the total vote casts represents over 50% of the outstanding shares of Common Stock.

Q: Where can I find the results of the Annual Meeting?

A: We expect to announce the preliminary voting results at the Annual Meeting and disclose the final results in a Current Report on Form 8-K filed within four business days after the Annual Meeting.

Q: Who pays for the solicitation of proxies?

A: We will pay all of the costs associated with this proxy solicitation. Proxies are being solicited by mail and may also be solicited in person or by telephone, facsimile, or other means of electronic transmission by our directors, officers, and employees. We will reimburse banks, brokerage firms, and other custodians, nominees, and fiduciaries for their reasonable expenses in forwarding proxy materials to the beneficial owners of shares of Common Stock. It is contemplated that additional solicitation of proxies will be made by D.F. King & Co., Inc., 77 Water Street, New York, New York 10005, at an anticipated cost to us of approximately \$6,000, plus reimbursement of out-of-pocket expenses for such items as mailing, copying, phone calls, faxes, and other related matters. In addition, we will indemnify D.F. King against any losses arising out of D.F. King's proxy soliciting services on our behalf.

Q: Could other matters be decided in the Annual Meeting?

A: The Board of Directors does not know of any other business that may be brought before the Annual Meeting. However, if any other matters should properly come before the Annual Meeting or at any adjournment or postponement thereof, it is the intention of the persons named in the enclosed proxy card to vote on such matters as they, in their discretion, may determine.

Q: Where can I find Universal Corporation's corporate governance materials?

A: Our Corporate Governance Guidelines, including our independence standards for members of the Board of Directors, Code of Conduct, and the charters of the Audit Committee, the Executive Compensation, Nominating and Corporate Governance Committee, which we refer to as the Compensation and Governance Committee, and all other standing committees, are available under the "Corporate Governance" section of our Internet website at <http://investor.universalcorp.com/governance.cfm>, and are available in print to any shareholder upon request by contacting us at the following address or phone number:

Universal Corporation
P.O. Box 25099
Richmond, Virginia 23260
Attention: Investor Relations
Telephone: (804) 359-9311

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Q: How do I communicate with the Board of Directors?

Shareholders and other interested parties may at any time direct communications to the Board of Directors as a whole, to the director who presides at the executive sessions of the non-employee directors, or to any individual member of the Board of Directors, through our Internet website or by contacting our Secretary. The “Corporate A: Governance - Contact the Board” section of our Internet website at <http://investor.universalcorp.com/contactboard.cfm> contains an e-mail link established for receipt of communications with directors, and communications can also be delivered by mail by sending requests to our Secretary at the following address:

Universal Corporation
P.O. Box 25099
Richmond, Virginia 23260
Attention: Secretary
Telephone: (804) 359-9311

Shareholders making such communications are encouraged to state that they are shareholders and provide the exact name in which their shares of Common Stock are held and the number of shares held. Each individual communicating with the Board of Directors will receive a written acknowledgement from or on behalf of our Secretary after receipt of the communication sent in the manner described above. After screening such communications for issues unrelated to shareholder interests, our Secretary will distribute communications to the intended recipient(s) as appropriate. The process for such screening has been approved by our non-employee directors.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON AUGUST 5, 2014.

Our Proxy Statement and fiscal year 2014 Annual Report are both available free of charge under the “Investor - Financial Information” section of our Internet website at <http://investor.universalcorp.com/financials.cfm>.

Our 2014 Annual Report to Shareholders, which includes a copy of our fiscal year 2014 Annual Report (excluding exhibits) as filed with the Securities and Exchange Commission, is being mailed to shareholders with this Proxy Statement.

We will provide additional copies of our fiscal year 2014 Annual Report, including the financial statements and financial statement schedules, without charge to any person to whom this Proxy Statement has been delivered if they so request. Requests should be directed to Investor Relations at the address or phone number provided on page 5 of this Proxy Statement.

We make available free of charge through our Internet website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, which is referred to herein as the Exchange Act, as well as reports on Forms 3, 4 and 5 filed by our directors and executive officers pursuant to Section 16 of the Exchange Act, as soon as reasonably practicable after such documents are electronically filed with, or furnished to, the Securities and Exchange Commission. The information on our Internet website is not, and shall not be deemed to be, a part of this Proxy Statement or incorporated into any other filings we make with the Securities and Exchange Commission.

**PROPOSAL ONE
ELECTION OF DIRECTORS**

In accordance with our Articles of Incorporation and Bylaws, the Board of Directors is divided into three classes. The term of office of one of the three classes of directors expires each year, and each class is elected for a three-year term.

Six members of our board of directors have previously been elected to terms expiring in 2015 or 2016, as indicated below. The Compensation and Governance Committee has recommended to our Board of Directors, and our Board of Directors has approved, the three remaining directors set forth below to be elected for three year terms at the Annual Meeting. The following pages set forth certain information for each nominee and each incumbent director as of March 31, 2014, except as otherwise noted. All of the nominees, and all of the incumbent directors listed below are directors previously elected by the shareholders. Each nominee has consented to being named in this Proxy Statement and to serve if elected.

The election of each nominee for director requires the affirmative vote of the holders of a plurality of the shares of Common Stock cast in the election of directors. With a plurality vote, the nominees that receive the highest vote totals for the director positions up for election will be elected. Proxies cannot be voted for a greater number of persons than the number of nominees named in this Proxy Statement. Unless otherwise specified in the accompanying form of proxy, it is intended that votes will be cast for the election of all of the nominees as directors. If, at the time of the Annual Meeting, any nominee should be unavailable to serve as a director, it is intended that votes will be cast, pursuant to the enclosed proxy, for such substitute nominee as may be nominated by the Board of Directors. The Board of Directors has no reason to believe that any of the nominees will be unavailable. In lieu of designating a substitute nominee, however, the Board of Directors may adopt a resolution pursuant to our Articles of Incorporation to reduce the number of directors.

Set forth below is information concerning the age, principal occupation, employment and directorships during the past five years, positions with the Company of each nominee and director, the year in which he first became a director of the Company and his term of office as a director. Also set forth below is a brief discussion of the specific experience, qualifications, attributes or skills that led to the conclusion that each nominee and director should serve as a director as of the date of this Proxy Statement, in light of the Company's business and structure.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" PROPOSAL ONE.

Nominees for Election Whose Terms Expire in 2014 (Class II Directors)

GEORGE C. FREEMAN, III, 51, has been our Chief Executive Officer since April 1, 2008, and our President since December 12, 2006. Mr. G. Freeman served as General Counsel and Secretary from February 1, 2001 until November 2005, and was elected Vice President in November 2005. He has been a director since November 7, 2007 and Chairman of the Board of Directors since August 5, 2008. He is Chairman of the Executive Committee and a member of the Finance Committee. Mr. G. Freeman also serves as a director of Tredegar Corporation, a manufacturer of plastic films and aluminum extrusions, since May 24, 2011. He is Chairman of its Strategic Finance Committee and he serves on its Audit Committee and Nominating and Governance Committee.

As Chairman of the Board, Mr. G. Freeman provides the Board of Directors with strong leadership and a considerable amount of experience. In addition, as our President and Chief Executive Officer, Mr. G. Freeman is able to communicate to and inform the Board about our day-to-day operations, customer issues, management issues and industry developments. The Board believes that Mr. G. Freeman's extensive knowledge of the industry, his financial expertise and his forward-looking thinking brings an invaluable perspective on our current operations and our ongoing

relationships with customers and suppliers. Through Mr. G. Freeman's years of service with us and on the Board of Directors, he has developed extensive knowledge in the areas of leadership, risk oversight, management and corporate governance, each of which provides great value to the Board of Directors.

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LENNART R. FREEMAN, 62, retired as Executive Vice President of Swedish Match AB (“Swedish Match”), a global tobacco products manufacturer, in February 2011. Mr. L. Freeman worked with Swedish Match for over 30 years, serving as Executive Vice President for the six years prior to his retirement. While at Swedish Match, he successfully completed significant corporate restructurings and served in numerous executive positions within the company. He currently serves as a director of the Dometic Group AB, a privately-held global provider of comfort products for the recreational vehicle, automotive and marine markets. Mr. L. Freeman is no relation to Mr. G. Freeman. He is a member of the Executive Committee and the Compensation and Governance Committee, and has been a director since 2013.

Mr. L. Freeman's extensive experience in the tobacco industry adds depth to the Board of Director's ability to evaluate and develop industry opportunities and strategies. His years with Swedish Match also add a unique customer perspective to the Board of Directors. In addition, Mr. L. Freeman's extensive leadership experience in a multinational company adds significant value to the Board of Directors.

EDDIE N. MOORE, JR., 66, is the Interim President and Chief Executive Officer of Norfolk State University, a private, historically black liberal arts college. Prior to joining Norfolk State University in September 2013, Mr. E. Moore was Interim President and then the Chief Executive Officer and President of St. Paul's College, a private, historically black liberal arts college, from November 2011 to June 2012. Previously, Mr. E. Moore was the President of Virginia State University, a public research university, for more than five years. Upon retirement as President on July 1, 2010, he accepted a position as President Emeritus, a position which he continues to hold. Prior to assuming the position of President in 1993, Mr. E. Moore served as state treasurer for the Commonwealth of Virginia, heading the Department of the Treasury and serving on fifteen state boards and authorities. He is also a director of Owens & Minor, Inc., a distributor of national name-brand medical and surgical supplies and a healthcare supply chain management company. He is a member of its Audit Committee and Governance and Nominating Committee. He is Chairman of the Audit Committee and a member of the Finance and Pension Investment Committees and has been a director since 2000.

Mr. E. Moore's strong background in accounting and finance and his leadership experience gained through managing prominent educational institutions is valuable to the Board of Directors. Mr. E. Moore's experience in the public sector brings valuable perspectives and disciplines to the Board of Directors' deliberations and decision-making processes.

Incumbent Directors Whose Terms Expire in 2015 (Class III Directors)

JOHN B. ADAMS, JR., 69, is President, Chief Executive Officer and a director of Bowman Companies, a private land development company, positions he has held for more than five years. He has also been a director of Fauquier Bankshares, Inc., a community bank, since 2003 and in January 2010 became Chairman of its Board of Directors. He is a member of the Audit, Finance and Pension Investment Committees, and has been a director since 2003.

Having been a director of Fauquier Bankshares, Inc. since 2003, Mr. Adams brings extensive financial and banking experience to the Board of Directors. In addition, his experience as President, Chief Executive Officer and a director of Bowman Companies and his other leadership roles provides the Board of Directors with valuable leadership, business and operational experience.

DIANA F. CANTOR, 56, is a Partner of Alternative Investment Management, LLC, an independent privately-held investment management firm, a position she has held since January 2010. In addition, she is the co-founder and Managing Director of Hudson James Group LLC, a strategic advisory firm, a position she has held since February 2012. Prior to that, Mrs. Cantor served as a Managing Director with New York Private Bank and Trust from January 2008 through December 2009, and from 1996 to 2007 she served as a Founder and Executive Director of the Virginia College Savings Plan, an independent agency of the Commonwealth of Virginia. Mrs. Cantor serves on the Board of Directors of Domino's Pizza, Inc., a U.S. based global pizza delivery company (she is Chair of its Audit Committee and a member of its Nominating and Corporate Governance Committee), Media General, Inc., a provider of news,

information and entertainment (she is a member of its Audit Committee), and Revlon, Inc., a global cosmetics company (she is a member of its Audit Committee). She is also Chairman of the Virginia Retirement System. Mrs. Cantor previously served as a director of The Edelman Financial Group, Inc., a provider of investment advice, from 2011 to 2012. Mrs. Cantor is Chairman of the Finance Committee and a member of the Pension Investment Committee and has been a director since 2012.

Mrs. Cantor possesses extensive legal, investment and financial skills and significant public company directorship and committee experience, all of which add important, multi-disciplinary financial perspective to our Board of Directors. Her service on the boards of multinational corporations offers the Board of Directors a valuable perspective on governance best practices and executive leadership, and strengthens the financial and strategic expertise of the Board of Directors.

ROBERT C. SLEDD, 61, is Managing Partner of Pinnacle Ventures, LLC, a venture capital firm, and Sledd Properties, LLC, an investment company. Mr. Sledd served as the Senior Economic Advisor to the former Governor of Virginia from January 2010 until January 2014, and served as Chairman of Performance Food Group Co. (“PFG”), a foodservice distribution company, from 1995 until June 2008. He served as Chief Executive Officer of PFG from 1987 to 2001 and from 2004 to 2006. He also serves on the Board of Directors of Owens & Minor, Inc., a distributor of national name-brand medical and surgical supplies and a healthcare supply chain management company. He is Chair of its Compensation and Benefits Committee and serves on its Executive Committee and Governance and Nominating Committee. He is also a Director of Pool Corporation, a wholesale distributor of swimming pool supplies, equipment, and related leisure products. He serves on its Audit Committee and Compensation Committee. He is Chairman of the Pension Investment Committee, a member of the Audit and Finance Committees and has been a director since 2009.

Through Mr. Sledd's prior experience serving as a former chief executive of a foodservice distribution company, he has gained extensive knowledge and understanding of the challenges faced by public companies. In addition, his experience in founding, expanding and taking public PFG provides the Board of Directors with a breadth of perspectives and ideas on matters of management, corporate governance and strategic growth. Having served on the board of directors of other publicly traded companies, he has gained further experience related to corporate governance matters in addition to experience in risk oversight and executive compensation.

Incumbent Directors Whose Terms Expire in 2016 (Class I Directors)

CHESTER A. CROCKER, 72, is a professor of strategic studies at Georgetown University's Walsh School of Foreign Service, a private research university. He has held this position for more than five years. He serves as Chairman of the Board of Directors for G3 Good Governance Holdings Ltd., a business consulting company, and as a director of the Global Leadership Foundation, a not-for-profit foundation. Dr. Crocker was a director of Bell Pottinger Communications USA, LLC, a communications and public affairs consulting company, from 2007 to 2012, a director of ASA Limited from 1996 to 2008, and a member of the Board of Directors of the United States Institute of Peace from 1991 to 2011. He is a member of the Finance Committee and the Pension Investment Committee, and has been a director since 2004.

Through Dr. Crocker's service on the boards of directors within several privately-held companies, the Federal government and the not-for-profit sector, he has developed business, leadership and administrative experience, which is valuable to the Board of Directors. Dr. Crocker's extensive African experience and expertise, his service as international political risk adviser to corporations and his familiarity with non-U.S. origins of relevance to the Company provide the Board of Directors with a valuable perspective during discussions relating to international issues. In addition, through his prior service on the board of directors of another publicly-traded company, he has developed experience in risk oversight, executive compensation and corporate governance that is valuable to the Board of Directors.

CHARLES H. FOSTER, JR., 71, retired as Chairman of LandAmerica Financial Group, Inc. (“LandAmerica”), a title insurance company in December 2006, which filed for Chapter 11 bankruptcy protection in November 2008. He had served as Chairman and Chief Executive Officer at LandAmerica from October 1991 through December 2005. He is the Lead Independent Director, Chairman of the Compensation and Governance Committee, a member of the Executive Committee, and has been a director since 1995.

Mr. Foster is an experienced leader, having previously served as Chairman of the Board of Directors and Chief Executive Officer of LandAmerica, and as a member of the board of directors of other publicly-traded companies. With the tenure of this past executive and board position, he has experience in risk oversight, executive compensation and corporate governance that is valuable to the Board of Directors. He also gained extensive experience complying

with the various regulatory and governance requirements to which LandAmerica was subject, both within its industry and as a publicly-traded company.

THOMAS H. JOHNSON, 64, has been Managing Partner of THJ Investments, L.P., a private investment firm, from November 2005 to the present. Since 2008, he has also served as Chief Executive Officer of Taffrail Group, LLC, a business consulting firm. Mr. Johnson retired as Chairman and Chief Executive Officer of Chesapeake Corporation (“Chesapeake”), a specialty packaging company, in November 2005, after which he served as Vice Chairman until April 2006. From 2004 until his retirement, Mr. Johnson was Chairman and Chief Executive Officer of Chesapeake and, from 2000 to 2004, he was Chairman, President, and Chief Executive Officer of Chesapeake. Mr. Johnson is a director of Coca Cola Enterprises, Inc., a marketer, producer and distributor of Coca-Cola products (he is Chairman of its Human-Resources and Compensation Committee and is a member of its Franchise Relationship Committee and Governance and Nominating Committee), and Tumi Holdings, Inc., a global distribution company offering travel and business products in multiple categories (he is Chairman of its Audit Committee and a member of its Compensation Committee). He was a director of Superior Essex, Inc., a manufacturer of wire and cable products, from December 7, 2005 to August 7, 2008, and Gen On Corporation, a producer of electricity, and the predecessor company, Mirant Corporation, from January 2006 until its merger with NRG Energy, Inc. in December 2012. He is a member of the Executive Committee and the Compensation and Governance Committee, and has been a director since 2001.

Mr. Johnson's more than 15 years of experience as a chief executive of several large corporations and extensive service on the boards of multinational corporations provides the Board of Directors a valuable perspective on governance best practices and executive leadership. Through these executive management experiences, Mr. Johnson brings investment, manufacturing and distribution expertise to bear on his service as a member of the Board of Directors, and also has extensive international management experience in Europe and Asia. Mr. Johnson's service on the board of directors of other public companies, including such companies' audit, nominating and governance, and compensation and governance committees, provides our Board of Directors with financial, operational and strategic expertise.

STOCK OWNERSHIP

Principal Shareholders

The following table sets forth as of June 13, 2014, certain information with respect to the beneficial ownership of shares of Common Stock by each person or group we know to beneficially own more than 5% of the outstanding shares of such stock.

Name and Address of Beneficial Owner	Number of Shares		Percent of Class ⁽¹⁾	
	(#)		(%)	%
BlackRock, Inc. 40 East 52nd Street New York, New York 10022	4,981,385	(2)	21.5	%
Dimensional Fund Advisors L.P. Palisades West, Building One 6300 Bee Cave Road Austin, Texas 78746	1,949,692	(3)	8.4	%
Allianz Global Investors U.S. Holdings LLC 680 Newport Center Drive, Suite 250 Newport Beach, California 92660	1,914,298	(4)	8.3	%
NFJ Investment Group LLC 2100 Ross Avenue, Suite 700 Dallas, Texas 75201	—			
Royce & Associates, LLC 745 Fifth Avenue New York, New York 10151	1,479,264	(5)	6.4	%
Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, Pennsylvania 19355	1,326,390	(6)	5.7	%
First Trust Portfolios L.P. First Trust Advisors L.P. The Charger Corporation 120 East Liberty Drive, Suite 400 Wheaton, Illinois 60187	1,328,219	(7)	5.7	%

(1) The percentages shown in the table are based on 23,197,432 shares of Common Stock outstanding on June 13, 2014.

A Schedule 13G/A filed with the Securities and Exchange Commission on January 10, 2014 indicates that BlackRock, Inc., acting as a parent holding company, reported that it has sole voting power over 4,911,896 shares of Common Stock, shared voting power over no shares of Common Stock, sole dispositive power over 4,981,385 shares of Common Stock and shared dispositive power over no shares of Common Stock.

As reported on an amended Schedule 13G/A filed with the Securities and Exchange Commission on February 10, 2014. The amended Schedule 13G indicates that Dimensional Fund Advisors L.P., in its capacity as investment adviser to certain commingled group trusts and separate accounts, has the sole voting power over 1,936,017 shares of Common Stock, shared voting power over no shares of Common Stock, sole dispositive power over 1,949,692 shares of Common Stock and shared dispositive power over no shares of Common Stock that are owned by such companies, trusts, and accounts.

(4) As reported on a Schedule 13G filed with the Securities and Exchange Commission on February 12, 2014 by Allianz Global Investors Capital LLC (“AGIC”), a parent holding company, and its subsidiary, NFJ Investment Group LLC (“NFJ”), an investment adviser. AGIC had sole voting power over 101,584 shares of Common Stock, shared voting power over no shares of Common Stock, sole dispositive power over 101,584 shares of Common Stock and shared dispositive power over no shares of Common Stock, and NFJ had sole voting power over 1,638,900 shares of Common Stock, shared voting power over no shares of Common Stock, sole dispositive power over 1,655,900 shares of Common Stock and shared dispositive power over no shares of Common Stock.

(5) As reported on a Schedule 13G filed with the Securities and Exchange Commission on January 16, 2014 by Royce & Associates, LLC (“Royce”), in its capacity as an investment advisor over various managed accounts. Royce had sole voting power over 1,479,264 shares of Common Stock, shared voting power over no shares of Common Stock, sole dispositive power over 1,479,264 shares of Common Stock and shared dispositive power over no shares of Common Stock that are owned by such accounts.

(6) As reported on an amended Schedule 13G filed with the Securities and Exchange Commission on February 12, 2014. According to this filing, Vanguard Group, Inc. possessed sole voting power over 36,792 shares of Common Stock with no shared voting power and sole dispositive power over 1,291,498 shares of Common Stock with shared dispositive power over 34,892 shares of Common Stock.

(7) As reported on a Schedule 13G jointly filed with the Securities and Exchange Commission on January 13, 2014 by The Charger Corporation (“Charger”), First Trust Portfolios L.P. (“First Trust Portfolios”) and First Trust Advisors L.P. (“First Trust Advisors” and, together with Charger and First Trust Portfolios, the “First Trust Entities”). Charger is the General Partner of both First Trust Portfolios and First Trust Advisors. First Trust Portfolios acts as a sponsor of certain unit investment trusts which hold shares of Common Stock. The First Trust Entities had sole voting power over no shares of Common Stock. Charger and First Trust Advisors had shared voting power over 512,739 shares of Common Stock and First Trust Portfolios had shared voting power over no shares of Common Stock. The First Trust Entities had sole dispositive power over no shares of Common Stock. Charger and First Trust Advisors had shared dispositive power over 1,328,219 shares of Common Stock and First Trust Portfolios had shared dispositive power over 815,480 shares of Common Stock.

Directors and Executive Officers

The following table sets forth as of June 13, 2014, certain information with respect to the beneficial ownership of shares of Common Stock by (i) each director or nominee, (ii) each executive officer listed in the “Summary Compensation Table”, who we refer to as the “named executive officers”, and (iii) all current directors and executive officers as a group.

Name of Beneficial Owner	Number of Shares ^{(1),(2)} (#)	Percent of Class ⁽³⁾ (%)	
John B. Adams, Jr.	16,853	*	
W. Keith Brewer	122,828	*	
Theodore G. Broome	45,526	*	
Diana F. Cantor	2,836	*	
Chester A. Crocker	14,143	*	
Charles H. Foster, Jr.	19,367	*	
George C. Freeman, III	210,687	*	
Lennart R. Freeman	1,183	*	
Thomas H. Johnson	15,773	*	
David C. Moore	92,807	*	
Eddie N. Moore, Jr.	18,455	*	
Robert C. Sledd	8,768	*	
Preston D. Wigner	52,513	*	
All current directors and executive officers as a group (17 persons)	728,166	3.1	%

*Percentage of ownership is less than 1% of the outstanding shares of Common Stock.

The number of shares of Common Stock shown in the table includes shares that certain of our directors and executive officers had the right to acquire through the exercise of stock options or SARs within 60 days following June 13, 2014, and are in the following amounts: no shares to Mr. Adams, 24,400 shares to Mr. Brewer, 8,400

(1) shares to Mr. Broome, no shares to Mrs. Cantor, no shares to Mr. Crocker, no shares to Mr. Foster, 31,800 shares to Mr. G. Freeman, no shares to Mr. L. Freeman, no shares to Mr. Johnson, 15,000 shares to Mr. D. Moore, no shares to Mr. E. Moore, no shares to Mr. Sledd, 15,800 shares to Mr. Wigner and 22,534 shares to other current executive officers not individually listed in the table.

(2) No executive officers or directors have pledged shares of Common Stock as security.

(3) The percentages shown in the table are based on 23,197,432 shares of Common Stock outstanding on June 13, 2014.

Section 16(a) Beneficial Ownership Reporting Compliance

Our directors and executive officers are required under Section 16(a) of the Exchange Act to file reports of ownership and changes in ownership of Common Stock with the Securities and Exchange Commission. Copies of those reports must also be furnished to us.

Based solely on a review of the copies of reports furnished to us and the written representations of our directors and executive officers, we believe that, during fiscal year 2014, all filing requirements applicable to directors and executive officers were satisfied.

CORPORATE GOVERNANCE AND COMMITTEES

General

Our business and affairs are managed under the direction of the Board of Directors in accordance with the Virginia Stock Corporation Act and our Articles of Incorporation and Bylaws. Members of the Board of Directors are kept informed of our business through discussions with the Chairman, President, and Chief Executive Officer and other officers, by reviewing materials provided to them and by participating in meetings of the Board of Directors and its committees. The corporate governance practices we follow are summarized below.

Corporate Governance Guidelines

The Board of Directors has adopted written Corporate Governance Guidelines that set forth the practices of the Board of Directors with respect to the qualification and selection of directors, director orientation and continuing education, director responsibilities, Board of Directors composition and performance, director access to management and independent advisors, director compensation, management evaluation and succession, evaluation of the Board of Directors' performance and various other issues. The Corporate Governance Guidelines are available to shareholders and the public free of charge under the "Corporate Governance" section of our Internet website at <http://investor.universalcorp.com/governance.cfm>. A printed copy is available to any shareholder free of charge upon written request directed to Investor Relations at the address provided on page 5 of this Proxy Statement.

Code of Conduct

The Board of Directors has adopted a written Code of Conduct applicable to our directors, officers and employees and the directors, officers and employees of each of our subsidiaries and controlled affiliates. The Code of Conduct satisfies the NYSE requirements for a "Code of Business Conduct and Ethics" and the Securities and Exchange Commission definition of a "Code of Ethics for Senior Financial Officers." The Code of Conduct addresses such topics as protection and proper use of company assets, compliance with applicable laws and regulations, accuracy and preservation of records, accounting and financial reporting, conflicts of interest and insider trading. The Code of Conduct is available to shareholders and the public free of charge on our Internet website at <http://www.universalcorp.com/Compliance/>. A printed copy is available to any shareholder free of charge upon written request directed to Investor Relations at the address provided on page 5 of this Proxy Statement.

Director Independence

The Board of Directors, in its business judgment, has determined that each member of the Board of Directors, except Mr. G. Freeman, our Chairman, President, and Chief Executive Officer, is independent as defined by the NYSE listing standards and our Corporate Governance Guidelines. In reaching this conclusion and as set forth in the independence standards of our Corporate Governance Guidelines, the Board of Directors evaluated each director or nominee for director in light of the specified independence tests set forth in the NYSE listing standards. In addition, the Board of Directors considered whether we and our subsidiaries conduct business and have other relationships with organizations of which certain members of the Board of Directors or members of their immediate families are or were directors or officers. There has been no such business or relationships for the past three fiscal years.

Executive Sessions

The independent directors of the Board of Directors meet in executive session at least annually without management or employee directors present. The independent directors designate the Lead Independent Director, who is responsible for presiding over the executive sessions of the independent directors. For fiscal year 2014, the independent directors designated Mr. Foster as the Lead Independent Director. The Lead Independent Director is responsible for advising

the Chairman, President, and Chief Executive Officer of the outcome of any decisions reached or suggestions made at these sessions. Executive sessions where non-employee directors meet on an informal basis may be scheduled either before or after each regularly scheduled Board of Directors meeting.

Communications with Directors

Interested parties may at any time direct communications to the Board of Directors as a whole, to the director who presides at the executive sessions of the non-employee directors, or to any individual member of the Board of Directors, through our Internet website or by contacting our Secretary. The “Corporate Governance - Contact the Board” section of our Internet website at <http://investor.universalcorp.com/contactboard.cfm> contains an e-mail link established for receipt of communications with directors. Communications can also be delivered by mail by sending requests to our Secretary at Universal Corporation, P. O. Box 25099, Richmond, Virginia 23260, Attention: Secretary.

Shareholders making such communications are encouraged to state that they are shareholders and provide the exact name in which their shares of Common Stock are held and the number of shares held. Each individual communicating with the Board of Directors will receive a written acknowledgement from or on behalf of our Secretary after receipt of the communication sent in the manner described above. After screening such communications for issues unrelated to shareholder interests, our Secretary will distribute communications to the intended recipient(s) as appropriate. The process for such screening has been approved by our non-employee directors.

Board and Committee Meeting Attendance

During fiscal year 2014, there were five meetings of the Board of Directors. Each director attended 75% or more of the total number of meetings of the Board of Directors and of the committees on which he served, except for Mr. L. Freeman who joined the Board in August, 2013.

Board Leadership Structure and Role in Risk Oversight

Board Leadership Structure

The Board of Directors does not have a policy on whether or not the role of the Chief Executive Officer and Chairman should be separate or, if it is to be separate, whether the Chairman should be selected from the non-employee directors or be an employee. Currently, we operate with one individual, Mr. G. Freeman, serving as Chairman of the Board, President, and Chief Executive Officer. Mr. G. Freeman was elected by the Board of Directors as President on December 12, 2006, Chief Executive Officer on April 1, 2008 and Chairman of the Board on August 5, 2008. Prior to his election as our President and Chief Executive Officer, Mr. G. Freeman served as our General Counsel and Secretary from February 1, 2001 until November 2005, when he was elected Vice President. The Board of Directors believes that because Mr. G. Freeman has unique and extensive experience and understanding of our business, he is well situated to lead and execute strategy and business plans to maximize shareholder value by having a combined role of Chairman of the Board, President, and Chief Executive Officer.

The Company's Corporate Governance Guidelines permit the individual who serves as Chief Executive Officer to serve as Chairman of the Board of Directors. In order to ensure that independent directors continue to play a leading role in our governance, however, the Board of Directors established the position of a Lead Independent Director in our Corporate Governance Guidelines. Mr. Foster currently serves as our Lead Independent Director. The Lead Independent Director is elected by the independent directors and ensures that (i) the Board of Directors operates independently of management and (ii) directors and shareholders have an independent leadership contact. The Lead Independent Director, who must satisfy our independence standards, is responsible for presiding over the executive sessions of the independent directors and performing such other duties as may be delegated to the position by the Board of Directors. The Lead Independent Director also has the following additional roles and responsibilities:

chair Board of Directors meetings when the Chairman of the Board of Directors is not present or when there is a potential conflict of interest;

call meetings and set agendas for executive sessions of the independent directors;
preside over meetings of the independent Board members and, as appropriate, provide prompt feedback to the Chief Executive Officer and Chairman;
serve as a liaison between the independent directors and the Chief Executive Officer and Chairman of the Board of Directors and senior management to report or raise matters;
serve as a “sounding board” and mentor to the Chief Executive Officer and Chairman of the Board of Directors; and
perform such other duties and responsibilities as may be delegated to the Lead Independent Director by the Board of Directors from time to time.

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The Board of Directors also has five standing committees: the Audit Committee, the Compensation and Governance Committee, the Finance Committee, the Pension Investment Committee and the Executive Committee. Each committee has a separate chairperson and each of the Audit and Compensation and Governance Committees are composed solely of independent directors.

Given our current circumstances, relative size and operating strategies, we believe having a combined Chairman of the Board of Directors and Chief Executive Officer, as well as having a Lead Independent Director and independent standing Board committees, is the most appropriate structure for us and our shareholders. We believe this structure demonstrates clear leadership to our employees, shareholders, and other interested parties and eliminates potential for redundancies and confusion. The Lead Independent Director protects the role of the independent directors by providing leadership to the independent directors and working closely with the Chairman of the Board of Directors and Chief Executive Officer.

As part of the Board of Directors' annual assessment process, the Board of Directors evaluates our board leadership structure to ensure that it remains appropriate for us. The Board of Directors recognizes that there may be circumstances in the future that would lead it to separate the roles of Chief Executive Officer and Chairman of the Board of Directors, but believes that the absence of a policy requiring either the separation or combination of the roles of Chairman and Chief Executive Officer provides the Board of Directors with the flexibility to determine the best leadership structure for us.

Board of Directors' Role in Risk Oversight

The Board of Directors is responsible for our risk oversight. Management is responsible for our risk management, including providing oversight and monitoring to ensure our policies are carried out and processes are executed in accordance with our performance goals and risk tolerances. In carrying out its risk oversight function, the Board of Directors has five standing committees: the Audit; Compensation and Governance; Finance; Pension Investment; and Executive Committees. Each committee is responsible for risk oversight within their area of responsibility and regularly report to the Board of Directors. In addition, management holds regular meetings in which they identify, discuss and assess financial risk from current macro-economic, industry, and company-specific perspectives.

The Audit Committee is responsible for discussing with management, the independent registered public accounting firm and the internal auditors our policies and procedures with respect to risk assessment and risk management. As part of its regular reporting process, management reports and reviews with the Audit Committee our material risks, including (i) proposed Risk Factors and other public disclosures, and (ii) mitigation strategies and our internal controls over financial reporting. The Audit Committee also engages in regular periodic discussions with the Chief Financial Officer and other members of management regarding risks as appropriate.

The Finance Committee assists the Board of Directors in control of the Company's financial policies and resources and monitors our financial strategic direction. As part of its responsibilities, the Finance Committee oversees our financial policies, including financial risk management, and reviews and approves significant financial policies and transactions.

In addition to the Audit Committee and Finance Committee, each of the other committees of the Board of Directors considers risks within its area of responsibility. The Compensation and Governance Committee considers succession planning, human resources risks, corporate governance risks and risks that may be a result of our executive compensation programs. In addition, the Pension Investment Committee has oversight of the investments in the Company's ERISA - regulated pension and savings plans. Each of the committees regularly reports to the Board of Directors.

We believe the current leadership structure of the Board of Directors supports the risk oversight functions described above by providing independent leadership at the committee level, with ultimate oversight by the full Board of Directors as led by the Chairman of the Board of Directors and Chief Executive Officer and the Lead Independent Director.

Committees of the Board

The standing committees of the Board of Directors are the Audit Committee, the Executive Committee, the Compensation and Governance Committee, the Finance Committee, and the Pension Investment Committee.

Audit Committee

The responsibilities of the Audit Committee include the review of the scope and the results of the work of the independent registered public accounting firm and internal auditors, the review of the adequacy of internal accounting controls, and the selection, appointment, compensation, and oversight of our independent registered public accounting firm. The Audit Committee operates under a written charter last amended by the Board of Directors on April 20, 2009. The Audit Committee's charter is available under the "Corporate Governance" section of our Internet website at <http://investor.universalcop.com/governance.cfm>.

The members of the Audit Committee are Messrs. E. Moore (Chairman), Adams, and Sledd. The Board of Directors has determined that each of the Audit Committee members is independent as defined under the applicable independence standards set forth in regulations of the Securities and Exchange Commission and the NYSE listing standards. The Board of Directors has also determined that all of the Audit Committee members are financially literate as defined by the NYSE listing standards. Finally, in accordance with the applicable regulations of the Securities and Exchange Commission, the Board of Directors has further determined that the Audit Committee contains at least one "audit committee financial expert" as defined by such regulations. That person is Mr. E. Moore, the Chairman of the Audit Committee. The fact that the Board of Directors did not identify additional Audit Committee members as "audit committee financial experts" does not in any way imply that other members do not meet that definition.

The Audit Committee met six times during fiscal year 2014. Additional information with respect to the Audit Committee is discussed below in the section entitled "Audit Information" on page 72 of this Proxy Statement.

Executive Committee

The Executive Committee has the authority to act for the Board of Directors on most matters during the intervals between Board of Directors meetings. The members of the Executive Committee are Messrs. G. Freeman (Chairman), Foster, L. Freeman and Johnson. The Executive Committee met four times during fiscal year 2014.

Compensation and Governance Committee

The members of the Compensation and Governance Committee are Messrs. Foster (Chairman), L. Freeman and Johnson. The Compensation and Governance Committee performs the responsibilities of the Board of Directors relating to compensation of our executives. The Compensation and Governance Committee's responsibiliti