

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 5, 2010

**CONSTELLATION BRANDS, INC.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction  
of incorporation)

001-

08495

(Commission  
File Number)

16-

0716709

(IRS Employer  
Identification No.)

207 High Point Drive, Building 100, Victor, NY 14564

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (585) 678-7100

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

**(e) Compensatory Arrangements of Certain Officers.**

At a meeting held on April 5, 2010 and April 6, 2010, the Human Resources Committee (the “Committee”) of the Board of Directors (the “Board”) of Constellation Brands, Inc. (the “Company”) took the following actions with regard to certain compensatory arrangements for certain of the Company’s senior management personnel, including its Executive Officers.

Approval of Fiscal 2011 Base Salaries

The Committee set annual base salaries, for the fiscal year ending February 28, 2011 (“Fiscal 2011”), for the Company’s Executive Officers. The following table sets forth the annual base salary levels for Fiscal 2011 of those Executive Officers identified below:

<b>Name and Position</b>	<b>Fiscal 2011 Base Salary</b>
Richard Sands, Chairman of the Board	\$1,136,329
Robert Sands, President and Chief Executive Officer	\$1,130,708
Robert Ryder, Executive Vice President and Chief Financial Officer	\$554,533

Fiscal 2010 Incentive Awards

The Committee determined the amount to be paid an annual incentive awards under the Company’s Annual Management Incentive Plan (the “AMIP”) in accordance with its 2010 Fiscal Year Award Program for Executive Officers (the “2010 Program”). The following table sets forth the cash payments to those Executive Officers identified below with respect to their annual incentive awards under the 2010 Program:

<b>Name</b>	<b>Award</b>
Richard Sands	\$1,308,064
Robert Sands	\$1,269,847
Robert Ryder	\$363,283

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Stock Option Awards

The Committee granted options to purchase shares of the Company's Class 1 Common Stock under the Company's Long-Term Stock Incentive Plan (the "Stock Plan") to certain of the Company's management personnel, including its Executive Officers, subject to the Terms and Conditions Memorandum with respect to the Company's Amended and Restated Long-Term Stock Incentive Plan, the form of which is attached hereto as Exhibit 99.1 and incorporated herein by reference. The following table sets forth information regarding grants to those Executive Officers identified below:

<b>Name</b>	<b>Number of Stock Options <sup>(1)</sup></b>	<b>Exercise Price Per Share <sup>(2)</sup></b>
Richard Sands	538,520	\$ 16.67
Robert Sands	330,330	\$ 16.67
Robert Ryder	122,090	\$ 16.67

(1) Each of the options granted has a 10-year term, subject to earlier termination upon the occurrence of certain events related to termination of employment. One-fourth of the options become exercisable on each of the following anniversary dates: April 5, 2011, April 5, 2012, April 5, 2013 and April 5, 2014 provided that the option holder remains employed on that date. The options can vest at an earlier date upon the Retirement (as that term is defined in the Stock Plan), death or Disability (as that term is defined in the Stock Plan) of the recipient of the grant. Under the terms of the Stock Plan, options become fully exercisable immediately in the event of a change in control.

(2) The exercise price is equal to the closing price of the Class A Common Stock (into which, in certain limited circumstances, shares of Class 1 stock is convertible on a one-for-one basis) on the New York Stock Exchange on April 5, 2010.

Restricted Stock Awards

The Committee awarded shares of the Company's Class A Common Stock under the Stock Plan to certain of the Company's management personnel, including its Executive Officers, subject to the provisions of Restricted Stock Award Agreements, the form of which is attached hereto as Exhibit 99.2 and incorporated herein by reference. On April 5, 2010, which was the date of the restricted stock awards, the closing price of the Company's Class A Common Stock was \$16.67 per share. The following table sets forth information regarding awards to those Executive Officers identified below:

<b>Name</b>	<b>Number of Shares <sup>(1)</sup></b>
Robert Sands	67,830
Robert Ryder	19,960

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(1) Unvested shares under each of the awards are subject to forfeiture upon the occurrence of certain events related to termination of employment. One-fourth of the awarded shares vest on each of the following dates: May 1, 2011, May 1, 2012, May 1, 2013 and May 1, 2014 provided that the recipient of the award remains employed on that date. The awards can vest at an earlier date upon the death or Disability (as that term is defined in the Stock Plan) of the recipient of the award. Under the terms of the Stock Plan, awards become fully vested in the event of a change in control.

Performance Share Unit Awards

The Committee awarded performance share units to be settled in the Company's Class A Common Stock under the Stock Plan to certain of the Company's management personnel, including its Executive Officers, subject to the provisions of executive Performance Share Unit Award Agreements, the form of which is attached hereto as Exhibit 99.3 and incorporated herein by reference. On April 5, 2010, which was the date of the performance share unit awards, the closing price of the Company's Class A Common Stock was \$16.67 per share. The following table sets forth information regarding target awards to those Executive Officers identified below:

<b>Name</b>	<b>Target Number of Units<sup>(1)</sup></b>
Robert Sands	67,830
Robert Ryder	19,960

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(1) Unvested performance share units are subject to forfeiture upon the occurrence of certain events related to termination of employment. A participant may vest in his right to receive one-half of the target performance share unit award if the participant remains in continuous employment until May 1, 2011, and may fully vest in his right to receive the applicable number of performance share units if he remains in continuous employment until May 1, 2013. In each case, the participant will only vest in his right to receive the performance share units provided the Company achieves certain earnings per share targets as set forth in the Stock Plan and the executive Performance Share Unit Award Agreement. Following vesting, one-half of the target performance share unit award would be settled between May 1, 2011 and May 15, 2011, and the final distribution under the award would be settled between May 1, 2013 and May 15, 2013. Target awards can vest at an earlier date upon the death or Disability (as that term is defined in the executive Performance Share Unit Award Agreement) of the recipient of the award. Under the terms of the executive Performance Share Unit Award Agreement, awards become fully vested in the event of a change in control.

Criteria for 2011 Fiscal Year Incentive Award

The Committee adopted the 2011 Fiscal Year Award Program for Executive Officers (the "2011 Program for Executive Officers"), thereby establishing the performance criteria and bonus opportunity under the Company's Annual Management Incentive Plan, as amended by the Amendment, (the "Amended AMIP") for the Company's fiscal year ending February 28, 2011. Pursuant to the 2011 Program for Executive Officers, potential incentive awards for the Company's 2011 fiscal year, if any, will equal 0.5% of the Company's "Earnings Before Interest and Taxes" for each of Richard Sands and Robert Sands and 0.25% of "Earnings Before Interest and Taxes" for each other executive officer, all as calculated under the Amended AMIP and the 2011 Program for Executive Officers and measured for the period from March 1, 2010 through February 28, 2011. The Committee reserves the right to exercise its negative discretion at the end of the Company's Fiscal 2011 Year to reduce the amounts calculated in the preceding sentence to a bonus payment for each of our executive officers that it believes to be appropriate based on the Company's performance.

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**Item 9.01. Financial Statements and Exhibits.**

- (a) Financial statements of businesses acquired.

Not applicable.

- (b) Pro forma financial information.

Not applicable.

- (c) Shell company transactions.

Not applicable.

- (d) Exhibits.

The following exhibits are furnished as part of this Current Report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Form of Terms and Conditions Memorandum with respect to the Company's Amended and Restated Long-Term Stock Incentive Plan.
99.2	Form of Employee Restricted Stock Award Agreement with respect to the Company's Amended and Restated Long-Term Stock Incentive Plan.
99.3	Form of executive Performance Share Unit Award Agreement with respect to the Company's Amended and Restated Long-Term Stock Incentive Plan.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 9, 2010

CONSTELLATION BRANDS, INC.

By: /s/ Robert Ryder  
Robert Ryder  
Executive Vice President and  
Chief Financial Officer

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## INDEX TO EXHIBITS

Exhibit No.	Description
(1)	UNDERWRITING AGREEMENT Not Applicable.
(2)	PLAN OF ACQUISITION, REORGANIZATION, ARRANGEMENT, LIQUIDATION OR SUCCESSION Not Applicable.
(3)	ARTICLES OF INCORPORATION AND BYLAWS Not Applicable.
(4)	INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES Not Applicable.
(7)	CORRESPONDENCE FROM AN INDEPENDENT ACCOUNTANT REGARDING NON-RELIANCE ON A PREVIOUSLY ISSUED AUDIT REPORT OR COMPLETED INTERIM REVIEW Not Applicable.
(14)	CODE OF ETHICS Not Applicable.
(16)	LETTER RE CHANGE IN CERTIFYING ACCOUNTANT Not Applicable.
(17)	CORRESPONDENCE ON DEPARTURE OF DIRECTOR Not Applicable.
(20)	OTHER DOCUMENTS OR STATEMENTS TO SECURITY HOLDERS Not Applicable.
(23)	CONSENTS OF EXPERTS AND COUNSEL Not Applicable.
(24)	POWER OF ATTORNEY Not Applicable.

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(99) ADDITIONAL EXHIBITS

(99.1) Form of Terms and Conditions Memorandum with respect to the Company's Amended and Restated Long-Term Stock Incentive Plan.

(99.2) Form of Employee Restricted Stock Award Agreement with respect to the Company's Amended and Restated Long-Term Stock Incentive Plan.

(99.3) Form of executive Performance Share Unit Award Agreement with respect to the Company's Amended and Restated Long-Term Stock Incentive Plan.

(100) XBRL-RELATED DOCUMENTS

Not Applicable.

(101) INTERACTIVE DATA FILE

Not Applicable.



[LOGO]  
**Constellation**

## MEMORANDUM

**TERMS AND CONDITIONS OF STOCK OPTIONS – U.S.  
CLASS 1 COMMON STOCK**

[Date of Grant]

The CONSTELLATION BRANDS, INC. Long-Term Stock Incentive Plan, as amended from time to time (the “Plan”), enables Constellation Brands, Inc. (the “Company”) to grant stock options to purchase Class 1 Common Stock, par value \$.01 per share, of the Company (a “Share” or the “Shares”) to employees and non-employee directors of the Company or any of its Subsidiaries (as defined in the Plan) (each, when granted a stock option, a “Participant”). The stock options represented by this Memorandum and the accompanying award letter (respectively, the “Options” and the Memorandum and accompanying award letter, together, the “Agreement”) are subject to all of the terms and conditions contained in the Agreement.

1. Term of Options. The Options hereby granted on \_\_\_\_\_ (the “Date of Grant”) to purchase up to that number of Shares as communicated to Participant will terminate and expire, to the extent not previously exercised, at 5:00 p.m. Eastern Time on \_\_\_\_\_, or such earlier date upon which the Options, or portion thereof, terminate or expire pursuant to the terms of the Agreement or the Plan (the “Expiration Date”).
  2. Exercise of Options.
    - (a) The Options may be exercised, in whole or in part at any time prior to the Expiration Date, according to the percentages and exercise dates set forth in the following vesting schedule: 25% of the shares subject to the Options (the “Option Shares”) shall become exercisable on \_\_\_\_\_; an additional 25% of the Option Shares shall become exercisable on \_\_\_\_\_; an additional 25% of the Option Shares shall become exercisable on \_\_\_\_\_; and the remaining balance of the Option Shares shall become exercisable on \_\_\_\_\_. No Options may be exercisable after the Expiration Date.
    - (b) The Participant can exercise Options by complying with the provisions of the Plan and by following instructions provided in materials distributed by the Company. The exercise price, \$\_\_\_\_\_ per share (the “Exercise Price”), for the number of Option Shares being purchased and any related withholding tax obligations may be paid by the Participant by (i) delivery of cash, money order or a certified or cashier’s check; (ii) tendering previously acquired Shares or shares of Class A Common Stock, par value \$.01 per share, of the Company (“Class A Shares”), as provided for in the Plan; (iii) delivery of a conversion notice or other conversion instructions acceptable to the
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Company irrevocably electing to convert a sufficient number of Shares received under the Option into Class A Shares (“Conversion Shares”) together with delivery of irrevocable instructions to a broker or other agent acceptable to the Company to promptly sell the Conversion Shares received and to deliver to the Company the appropriate amount of proceeds; and/or (iv) any other payment method that is established by the Company (which payment method may be restricted or eliminated from time to time by the Company, in its sole discretion).

- (c) The Company or the Participant’s Employer (as defined in Section 3 below) will, without transfer or issue tax to the Participant, issue and cause to be delivered to the Participant the number of Option Shares purchased as soon as reasonably practicable after the Participant has appropriately exercised any Options. The Company is not required to issue Shares to the Participant until all obligations to withhold taxes have been resolved to the satisfaction of the Company or the Employer.

3. Termination of Relationship.

- (a) Acceleration upon Termination of Relationship. Subject to Section 3(c)(iii) below, if a Participant ceases to be employed by the Company or its Subsidiaries (the “Employer”) for reasons of Retirement (as defined in the Plan), Disability (as defined in the Plan) or death, all the unvested Option Shares shall become immediately vested and exercisable on the date of Retirement, date of Disability or date of death.
- (b) Duration of Exercise Following Termination of Relationship. Subject to Section 3(c) below, Options which have vested prior to the date that the Participant ceases to be employed by the Company or its Subsidiaries may be exercised as follows:
  - (i) within ninety (90) days after the date on which the Participant ceases to be employed by the Company or its Subsidiaries (the date on which the Participant ceases to be employed by the Company or its Subsidiaries is referred to as the “Termination Date”), except as otherwise provided in Subsections 3(b)(ii), (iii) and (iv) below;
  - (ii) if the Participant ceases to be employed by the Company or its Subsidiaries as a result of the Participant’s Retirement, within one (1) year after the date of Retirement;
  - (iii) if the Participant ceases to be employed by the Company or its Subsidiaries as a result of a Disability, within one (1) year after the date of Disability; or
  - (iv) if the Participant ceases to be employed by the Company or its Subsidiaries as a result of death, within one (1) year after the date of death by the Participant’s designated beneficiary, legal representative or permitted transferee.
- (c) Limitations on Exercise Following Termination of Relationship.
  - (i) The time periods set forth in Section 3(b) above are subject to the restriction that Options may not be exercised after their Expiration Date.

- (ii) The time periods set forth in Section 3(b) are also subject to the restriction that no Option may be exercised by any person if the Participant (A) is, or at any time after the date of grant has been, in competition with the Company or its affiliates, or (B) has been terminated by the Company or its Subsidiaries for Cause, as defined in the Plan.
  - (iii) Except as otherwise provided by the Committee administering the Plan or by an employment agreement between the Participant and the Company or its Subsidiaries, (A) the only Options that may be exercised after the Termination Date, date of Retirement, date of Disability or date of death (as applicable, the "Event Date") are those Options that were exercisable by the Participant on the Event Date; and (B) any Options which are not exercisable on the Event Date will automatically terminate on the Event Date.
  - (iv) Any Options which are exercisable on the Event Date, but which are not exercised within the applicable period specified in Section 3(b) above, will automatically terminate at the end of that applicable period.
  - (v) The Participant ceases to be employed with the Company or its Subsidiaries on the date that the entity employing the Participant ceases to be a Subsidiary, or, if earlier, the later of (A) the date that is the last day of any statutory notice of termination period applicable to the Participant pursuant to applicable employment standards legislation (but only if the Participant is entitled to such a notice under applicable employment standards legislation), and (B) the date that is designated by the Company or any Subsidiary as the last day of the Participant's employment with the Company or any Subsidiary, and the date that the Participant ceases to be employed by the Company or its Subsidiaries specifically does not mean the date on which any period of reasonable notice that the Company or any Subsidiary may be required at law to provide to the Participant expires.
  - (vi) Unless otherwise determined by the Committee, an authorized leave of absence pursuant to a written agreement or other leave entitling the Participant to reemployment in a comparable position by law or Rule shall not constitute a termination of employment for purposes of the Plan unless the Participant does not return at or before the end of the authorized leave or within the period for which re-employment is guaranteed by law or Rule.
4. Type of Options. The Options are nonqualified stock options granted pursuant to Section 5 of the Plan.
5. No Transfer of Options. Unless transferability is authorized by the Option grant or otherwise permitted by the Committee, Options are not transferable by the Participant other than (a) by will or the laws of descent and distribution, or (b) pursuant to a domestic relations order. Because of laws affecting the transferability of the Option Shares, the Participant should understand the securities laws and other implications of any transfer of Options. Any attempt at assignment, transfer, pledge, hypothecation, or other disposition

of the Option contrary to the provisions hereof, and the levy of any attachment or similar process upon such Option, shall be null and void and without effect.

6. Adjustments for Certain Events. The number and kind of unexercised Options and the Exercise Price of such Options are subject to adjustment in the event that certain transactions are taken by the Company which affect the Company's capital stock.
7. Address for Notices. All notices to the Company shall be in writing and sent to the Company's General Counsel at the Company's corporate headquarters. Notices to the Participant shall be addressed to the Participant at the address as from time to time reflected in the Company's employment records as the Participant's address.
8. Transferability of Shares. Following exercise of the Option and issuance of Shares, in the event the Company permits Participant to arrange for sale of Shares through a broker or another designated agent of the Company, the Participant acknowledges and agrees that the Company may block any such sale and/or cancel any order to sell placed by the Participant, in each case if the Participant is not then permitted under the Company's insider trading policy to engage in transactions with respect to securities of the Company. If the Committee determines that the ability of the Participant to sell or transfer Shares is restricted, then the Company may place a restrictive legend or stop transfer notation on any certificate that may be issued to represent such Shares or on its books with respect to such Shares. If a legend or stop transfer notation is placed on any certificate or the Company's books with respect to the Participant's Shares, the Participant may only sell such Shares in compliance with such legend or notation.
9. Binding Agreement. Subject to the limitation on the transferability of this Award contained herein, the Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.
10. Plan Governs. The Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of the Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern.
11. Governing Law. The Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, United States of America, regardless of the law that might be applied under principles of conflict of laws.
12. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of the Agreement.
13. Severability. In the event that any provision in the Agreement, shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of the Agreement.
14. Modifications to the Agreement. The Agreement constitutes the entire understanding of the parties on the subjects covered. The Participant expressly warrants that he or she is not executing the Agreement in reliance on any promises, representations, or inducements

other than those contained herein. Modifications to the Agreement can be made only in an express written contract executed by a duly authorized officer of the Company.

15. Amendment, Suspension or Termination of the Plan. By accepting this Award, the Participant expressly warrants that he or she has received a right to an equity based award under the Plan, and has received, read, and understood a description of the Plan. The Participant understands that the Plan is discretionary in nature and may be modified, suspended, or terminated by the Company at any time.
16. Rights as Stockholder. Neither the Participant nor any person claiming under or through the Participant shall have any of the rights or privileges of a stockholder of the Company in respect of any Options (whether vested or unvested) unless and until such Options are exercised and the corresponding Shares are issued. After such issuance, the Participant shall have the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares, if any.
17. Applicable Times and Dates. All references to times and dates in the Plan and in documents relating to the Plan refer, respectively, to Eastern Standard Time (or Eastern Daylight Savings Time, as appropriate) in the United States of America and to dates in New York State based on such Eastern Standard Time (or Eastern Daylight Savings Time, as appropriate).
18. Responsibility for Taxes. Regardless of any action the Company or any of its Subsidiaries takes with respect to any or all income tax, social security, payroll tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or any of its Subsidiaries. The Participant further acknowledges that the Company and/or its Subsidiaries (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect to the Options, including, but not limited to, the grant, vesting or exercise of the Options, the issuance of Shares upon exercise of the Options, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of any Award to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Participant acknowledges that Company and/or its Subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
19. Withholding. The Participant agrees as a condition of his or her participation in the Plan to make arrangements satisfactory to the Company or any of its Subsidiaries (including the Employer) to enable it to satisfy all withholding, payment and/or collection requirements associated with the satisfaction of the Tax-Related Items. The withholding obligation shall be satisfied in a manner acceptable to the Company in its sole discretion and may include the following methods:

- (a) by the Company or the Employer withholding all applicable amounts from the Participant's wages or other cash compensation due to the Participant,
- (b) by surrender to the Company by attestation to the ownership of Shares already owned that would satisfy the withholding amount, or
- (c) by electing to have the Company withhold from the Shares to be issued upon exercise of the Options a number of Shares having an aggregate Fair Market Value that would satisfy the withholding amount, provided, however, that in no event may the number of Shares withheld in the case of this clause (c) exceed the applicable statutory minimum withholding rates.

Furthermore, the Participant agrees to pay the Company or the Employer any amount the Company or the Employer may be required to withhold, collect or pay as a result of the Participant's participation in the Plan or that cannot be satisfied by deduction from the Participant's wages or other cash compensation paid to the Participant by the Company or the Employer or sale of the shares acquired under the Plan. The Participant acknowledges that he or she may not participate in the Plan unless the tax withholding, payment and/or collection obligations of the Company or the Employer are satisfied.

20. General Restrictions on Delivery of Shares. The Company shall not be required to transfer or deliver any Shares or dividends or distributions relating to such Shares until it has been furnished with such opinions, representations or other documents as it may deem necessary or desirable, in its discretion, to insure compliance with any law or Rules of the Securities and Exchange Commission or any other governmental authority having jurisdiction under the Plan or over the Company, the Participant, or the Shares or any interests therein. The Award of Options evidenced by the Agreement is also subject to the condition that, if at any time the Committee administering the Plan shall determine, in its discretion, that the listing, registration or qualification of the Shares (or any capital stock distributed with respect thereto) upon the New York Stock Exchange (or any other securities exchange or trading market) or under any United States state or Federal law or other applicable Rule, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of the Award of Options evidenced by the Agreement or the issuance, transfer or delivery of the Shares (or the payment of any dividends or other distributions related to the Shares), the Company shall not be required to transfer or deliver any Shares or dividends or distributions relating to such Shares unless such listing, registration, qualification, consent or approval shall have been effected or obtained to the complete satisfaction of the Committee and free of any conditions not acceptable to the Committee.
21. Acknowledgments. The Participant acknowledges and agrees to the following:
- (a) Nothing in the Agreement or the Plan shall confer upon the Participant any right to continue to be employed by the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company or the Subsidiary, which are hereby expressly reserved, to terminate the employment of the Participant under applicable law.

- (b) The transfer of the employment of the Participant between the Company and any one of its Subsidiaries (or between Subsidiaries) shall not be deemed a termination of service.
  - (c) Nothing herein contained shall affect the Participant's right to participate in and receive benefits under and in accordance with the then current provisions of any pension, insurance or other Participant welfare plan or program of the Company or any Subsidiary.
  - (d) The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.
  - (e) The Company reserves the right to impose other requirements on participation in the Plan, on the Options and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or other applicable Rule or facilitate the administration of the Plan, and to require the Participants to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
22. No Listing of Option Shares; Conversion. The Company has not listed the Option Shares for trading on the New York Stock Exchange and does not intend to effect such a listing. Pursuant to the Certificate of Incorporation of the Company, Option Shares may be converted into Class A Shares, but only if the Class A Shares received upon the conversion are sold or transferred immediately following the conversion in a market transaction or qualifying private transaction as such terms are defined in the Company's Certificate of Incorporation. The Class A Shares into which Option Shares may be converted have been or will, prior to issuance, be listed for trading on the New York Stock Exchange.
23. Electronic Delivery and Execution. The Participant hereby consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, plan documents, prospectus and prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other Award made or offered under the Plan. The Participant understands that, unless revoked by the Participant by giving written notice to the Company pursuant to the Plan, this consent will be effective for the duration of the Agreement. The Participant also understands that he or she will have the right at any time to request that the Company deliver written copies of any and all materials referred to above. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and agree that his or her electronic signature is the same as, and will have the same force and effect as, his or her manual signature. The Participant consents and agrees that any such procedures and delivery may be affected by a third party engaged by the Company to provide administrative services related to the Plan.

**BY MY ELECTRONIC ELECTION TO ACCEPT THE GRANT OF OPTIONS (WHICH SERVES AS MY ELECTRONIC SIGNATURE OF THE AGREEMENT), I AGREE THAT MY PARTICIPATION IN THE PLAN IS GOVERNED BY THE PROVISIONS OF THE PLAN AND THE AGREEMENT.**





**RESTRICTED STOCK AWARD AGREEMENT**  
**Pursuant to the**  
**CONSTELLATION BRANDS, INC.**  
**LONG-TERM STOCK INCENTIVE PLAN**

**Name of Participant:**

**Date of Grant:**

**Number of Shares:**

**Value of Each Share on Date of Grant:**

**Initial Vesting Date:**

This RESTRICTED STOCK AWARD AGREEMENT (the “Agreement”) confirms the grant by Constellation Brands, Inc. (the “Company”) of shares of restricted stock pursuant to the Company’s Long-Term Stock Incentive Plan, as amended from time to time (the “Plan”).

**PLEASE BE SURE TO READ ALL OF THE SPECIFIC TERMS AND CONDITIONS OF THE AGREEMENT. FOR EXAMPLE, IMPORTANT ADDITIONAL INFORMATION ON VESTING AND FORFEITURE OF THE RESTRICTED STOCK COVERED BY THE AWARD IS CONTAINED IN SECTIONS 2 AND 4 OF THE TERMS AND CONDITIONS. TO THE EXTENT ANY CAPITALIZED TERMS USED IN THE TERMS AND CONDITIONS ARE NOT DEFINED HEREIN, THEY WILL HAVE THE MEANING ASCRIBED TO THEM IN THE PLAN.**

**BY MY ELECTRONIC ELECTION TO ACCEPT THE GRANT OF RESTRICTED STOCK, (WHICH SERVES AS MY ELECTRONIC SIGNATURE OF THE AGREEMENT), I AGREE THAT MY PARTICIPATION IN THE PLAN IS GOVERNED BY THE PROVISIONS OF THE PLAN AND THE AGREEMENT (INCLUDING ITS TERMS AND CONDITIONS).**

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**TERMS AND CONDITIONS OF RESTRICTED STOCK AGREEMENT**

1. **Grant of Shares.** The Company grants to the Participant named above (the "Participant"), subject to and in accordance with the terms and conditions of the Plan and the Agreement, the number of shares of the Company's Class A Common Stock, par value \$.01 per share ("Class A Stock"), set forth above. The grant of shares of Class A Stock to the Participant evidenced by the Agreement is an award of Restricted Stock and such shares of Restricted Stock are referred to herein as the "Shares". The Shares are granted as of the Date of Grant specified above (the "Date of Grant"). Capitalized terms that are used in the Agreement but are not defined in the Agreement will have the meanings given to such terms in the Plan.

2. **Vesting of Shares.**

(a) **Service.** The Shares shall vest in accordance with the following vesting schedule: 25% of the Shares shall vest on the Initial Vesting Date specified above (the "Initial Vesting Date"); an additional 25% of the Shares shall vest on the first anniversary of the Initial Vesting Date; an additional 25% of the Shares shall vest on the second anniversary of the Initial Vesting Date; and the remaining balance of the Shares shall vest on the third anniversary of the Initial Vesting Date (the "Final Vesting Date"); provided, in each case, that the Participant remains in continuous employment with the Company or its Subsidiaries until such date.

(b) **Death or Disability.** If the Participant ceases to be employed by the Company or its Subsidiaries prior to the Final Vesting Date as a result of the Participant's death or Disability, any Shares that have not vested prior to the date of the Participant's death or Disability shall immediately vest.

(c) **Change in Control.** The Shares are subject to the provisions of the Plan pertaining to a Change in Control of the Company.

(d) **Leave of Absence.** Unless otherwise determined by the Committee, an authorized leave of absence pursuant to a written agreement or other leave entitling the Participant to reemployment in a comparable position by law or Rule shall not constitute a termination of employment for purposes of the Plan unless the Participant does not return at or before the end of the authorized leave or within the period for which re-employment is guaranteed by law or Rule.

3. **Committee Discretion.** The Committee, in its absolute discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Shares at any time. If so accelerated, such Shares shall be considered as having vested as of the date specified by the Committee.

4. **Forfeiture.** Notwithstanding any default provision in the Plan to the contrary, if the Participant ceases to be employed by the Company or its Subsidiaries for any reason (including, but without limitation, Retirement or an event that results in the entity employing the Participant to cease to be the Company or a Subsidiary) before the occurrence of a vesting event set forth in Section 2 above, any unvested Shares (and any dividends or other distributions related to such Shares) shall be forfeited to the Company.

5. **Release of Shares.** The Shares (and any dividends or other distributions relating to the Shares) shall be held by the Company in a nominee account with the Company's transfer agent (or such other account as the Company shall determine) for the benefit of the Participant until (a) the Shares become vested in accordance with Section 2 above, and (b) the Participant has satisfied his or her obligation to remit withholding taxes under Section 8 with respect to the Shares that have become vested

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in accordance with Section 2 above (any Shares with respect to which both of these requirements are satisfied are referred to as “Released Shares”, and the date on which both of these requirements are satisfied with respect to Released Shares is referred to as the “Release Date” with respect to such Released Shares). Promptly following the Release Date, but subject to the provisions of Section 9 below, the Company will (i) cause the Released Shares to be electronically transferred to an account in the Participant’s name at the provider administering the Plan as it relates to Restricted Stock (the “Administrator”) or to a book-entry account in the Participant’s name with the Company’s transfer agent for the Class A Stock, and (ii) cause any dividends or other distributions relating to the Released Shares to be paid to the Participant or deposited to an account in the Participant’s name with the Administrator. The Company reserves the right to transfer (or cause its transfer agent to transfer) to its treasury any Shares that are forfeited pursuant to the Agreement or the Plan and to recover and receive any dividends or other distributions relating to such forfeited Shares, in each case free of any claim or right of the Participant.

6. **Transferability.** The Participant shall have no right to sell, assign, transfer, pledge or otherwise encumber the Shares in any manner until the Shares have become Released Shares. In the event that the Company permits the Participant to arrange for sales of Shares through the Administrator prior to the Release Date of the Shares (for the purpose of satisfying any payment requirement under Section 8 or otherwise), the Participant acknowledges and agrees that the Company may block any such sale and/or cancel any order to sell placed by the Participant, in each case if the Participant is not then permitted under the Company’s insider trading policy to engage in transactions with respect to securities of the Company. If the Committee determines that the ability of the Participant to sell or transfer Released Shares is restricted, then the Company may place a restrictive legend or stop transfer notation on any certificate that may be issued to represent such Released Shares or on its books with respect to such Released Shares. If a legend or stop transfer notation is placed on any certificate or the Company’s books with respect to the Participant’s Released Shares, the Participant may only sell such Released Shares in compliance with such legend or notation.

7. **Section 83(b) Election.** The Participant may elect, within 30 days of the Date of Grant and pursuant to Section 83(b) of the Internal Revenue Code, to include in his or her gross income the fair market value of the Shares covered by the Agreement in the taxable year of grant. The Participant will seek the advice of his or her own tax advisors as to the advisability of making such a Section 83(b) election, the potential consequences of making such an election and the requirements for making such an election. The Company and its Subsidiaries and agents have not and are not providing any tax advice to the Participant. If the Participant makes this election, he or she shall promptly notify the Company by submitting to the Company a copy of the statement the Participant filed with the Internal Revenue Service to effect such election.

8. **Responsibility for Taxes and Withholding.**

(a) Regardless of any action the Company or any of its Subsidiaries takes with respect to any or all income tax, social security, payroll tax, payment on account or other tax-related items related to the Participant’s participation in the Plan and legally applicable to the Participant (“Tax-Related Items”), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant’s responsibility and may exceed the amount actually withheld by the Company or any of its Subsidiaries. The Participant further acknowledges that the Company and/or its Subsidiaries (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Shares, including, but not limited to, the grant, vesting or any Section 83(b) election, the subsequent sale of Shares and the receipt of any dividends and/or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of any Award to reduce or eliminate Participant’s liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to tax in more than one jurisdiction between the date of grant and the date of any

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relevant taxable event, the Participant acknowledges that Company and/or its Subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) The Participant shall remit to the Company (or any of its Subsidiaries, as directed) the amount needed to satisfy any federal, state or local income taxes, social security taxes, or other employment withholding taxes that may arise or be applicable as the result of a Section 83(b) election, the vesting of the Shares or otherwise. In the event the Participant fails to remit such cash payment to the Company, the Company may deduct any required withholdings from other cash compensation payable to the Participant or any cash dividends otherwise payable to the Participant pursuant to clause (ii) of Section 5 above or take such other actions it deems appropriate. Further, the Company may withhold from proceeds of the Shares, otherwise to be delivered to the Participant following vesting in accordance with Section 2, either through a voluntary sale or through a mandatory sale arrangement (on Participant's behalf pursuant to this authorization); provided that the withholding from proceeds will not exceed the amount necessary to satisfy the applicable statutory minimum withholding obligation. Without limiting the generality of the foregoing, if the Participant has not made any payment required under this Section 8 within five (5) calendar days after notice by the Company of the amount due, the Company shall have the right to cancel the Award evidenced by the Agreement as it relates to all or any portion of the Shares that have not become Released Shares (whether or not such Shares have become vested in accordance with Section 2 above) by giving written notice of such cancellation to the Participant at any time after the end of such five (5)-calendar-day period but prior to the payment of the amount due. In the event that the Award evidenced by the Agreement is cancelled with respect to any Shares pursuant to the preceding sentence, such Shares (and any dividends or other distributions related to such Shares) shall be forfeited to the Company. Notwithstanding anything to the contrary in the Plan, the Participant shall not be entitled to satisfy any withholding obligations that arise as a result of the Agreement by having Shares withheld by the Company or by delivering to the Company any shares of capital stock of the Company.

9. **General Restrictions on Transfer or Delivery of Shares.** The Company shall not be required to transfer or deliver any Released Shares or dividends or distributions relating to such Released Shares until it has been furnished with such opinions, representations or other documents as it may deem necessary or desirable, in its discretion, to insure compliance with any law or Rules of the Securities and Exchange Commission or any other governmental authority having jurisdiction under the Plan or over the Company, the Participant, or the Shares or any interests therein. The Award of Restricted Stock evidenced by the Agreement is also subject to the condition that, if at any time the Committee administering the Plan shall determine, in its discretion, that the listing, registration or qualification of the Shares (or any capital stock distributed with respect thereto) upon the New York Stock Exchange (or any other securities exchange or trading market) or under any state or Federal law or other applicable Rule, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of the Award of Restricted Stock evidenced by the Agreement or the issuance, transfer or delivery of the Shares (or the payment of any dividends or other distributions related to the Shares), the Company shall not be required to transfer or deliver any Released Shares or dividends or distributions relating to such Released Shares unless such listing, registration, qualification, consent or approval shall have been effected or obtained to the complete satisfaction of the Committee and free of any conditions not acceptable to the Committee.

10. **Rights as Shareholder.** Except for the dividend and distribution restrictions described below, and the transfer and other restrictions set forth elsewhere in the Agreement and in the Plan, the Participant, as the beneficial owner of the Shares, shall possess all the rights of a holder of the Company's Class A Stock, including voting, dividend and other distribution rights; provided, however, that prior to the Shares becoming Released Shares, the Shares, as well as any dividends or other distributions with respect to the Shares, shall be held in the manner described in Section 5 above. Any dividends or other distributions with respect to the Shares in the form of capital stock shall be treated as Restricted Stock in

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the same manner as the Shares. If any Shares are forfeited to the Company, then any dividends or other distributions with respect to such forfeited Shares shall also be forfeited to the Company.

11. **Acknowledgments.** The Participant acknowledges and agrees to the following:

(a) Nothing in the Agreement or the Plan shall confer upon the Participant any right to continue to be employed by the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company or the Subsidiary, which are hereby expressly reserved, to terminate the employment of the Participant under applicable law.

(b) The transfer of the employment of the Participant between the Company and any one of its Subsidiaries (or between Subsidiaries) shall not be deemed a termination of service.

(c) Nothing herein contained shall affect the Participant's right to participate in and receive benefits under and in accordance with the then current provisions of any pension, insurance or other Participant welfare plan or program of the Company or any Subsidiary.

(d) The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

(e) The Company reserves the right to impose other requirements on participation in the Plan, and on any Shares under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or other applicable Rule or facilitate the administration of the Plan, and to require the Participants to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

12. **Changes in Stock.** In the event that as a result of a stock dividend, stock split, reclassification, recapitalization, combination of Class A Common Shares or the adjustment in capital stock of the Company or otherwise, or as a result of a merger, consolidation, spin-off or other reorganization, the Company's Class A Common Stock, par value \$.01, shall be increased, reduced or otherwise changed, the Shares shall be adjusted automatically consistent with such change to prevent substantial dilution or enlargement of the rights granted to, or available for, the Participant hereunder.

13. **Address for Notices.** All notices to the Company shall be in writing and sent to the Company's General Counsel at the Company's corporate headquarters. Notices to the Participant shall be addressed to the Participant at the address as from time to time reflected in the Company's employment records as the Participant's address.

14. **Binding Agreement.** Subject to the limitation on the transferability of the Award contained herein, the Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

15. **Plan Governs.** The Agreement is subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of the Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern.

16. **Governing Law.** The Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, United States of America, regardless of the law that might be applied under principles of conflict of laws.

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17. **Captions**. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of the Agreement.

18. **Severability**. In the event that any provision in the Agreement, shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of the Agreement.

19. **Modifications to the Agreement**. The Agreement constitutes the entire understanding of the parties on the subjects covered. The Participant expressly warrants that he or she is not executing the Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to the Agreement can be made only in an express written contract executed by a duly authorized officer of the Company.

20. **Amendment, Suspension or Termination of the Plan**. By accepting this award, the Participant expressly warrants that he or she has received a right to an equity based award under the Plan, and has received, read, and understood a description of the Plan. The Participant understands that the Plan is discretionary in nature and may be modified, suspended, or terminated by the Company at any time.

21. **Electronic Delivery and Execution**. The Participant hereby consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, plan documents, prospectus and prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other Award made or offered under the Plan. The Participant understands that, unless revoked by the Participant by giving written notice to the Company pursuant to the Plan, this consent will be effective for the duration of the Agreement. The Participant also understands that he or she will have the right at any time to request that the Company deliver written copies of any and all materials referred to above. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and agree that his or her electronic signature is the same as, and will have the same force and effect as, his or her manual signature. The Participant consents and agrees that any such procedures and delivery may be affected by a third party engaged by the Company to provide administrative services related to the Plan.

**PERFORMANCE SHARE UNIT AGREEMENT  
Pursuant to the  
CONSTELLATION BRANDS, INC.  
LONG-TERM STOCK INCENTIVE PLAN**

**Name of Participant:**

**Date of Grant:**

**Target Number of Performance Share Units:**

**Value of Each Unit on Date of Grant:**

**Service Vesting Date:** [Vesting Date]

Constellation Brands, Inc. (the “Company”) hereby awards to the designated participant (“Participant”), the opportunity to receive the Other Stock-Based Award described herein (“Performance Share Units”) under the Company’s Long-Term Stock Incentive Plan (the “Plan”). Performance Share Units consist of the right to receive shares of Class A Common Stock, par value \$.01 per share, of the Company (“Shares”). Generally, you will not receive any Performance Share Units unless specified service and performance requirements are satisfied. This Performance Share Unit Agreement is subject to the attached Terms and Conditions of Performance Share Unit Agreement (collectively with this document, this “Agreement”) and terms of the Plan.

**PLEASE BE SURE TO READ ALL OF THE SPECIFIC TERMS AND CONDITIONS OF THIS AGREEMENT. FOR EXAMPLE, IMPORTANT ADDITIONAL INFORMATION ON VESTING AND FORFEITURE OF THE PERFORMANCE SHARE UNITS COVERED BY THIS AWARD IS CONTAINED IN PARAGRAPH 2 OF THE TERMS AND CONDITIONS. TO THE EXTENT ANY CAPITALIZED TERMS USED IN THE TERMS AND CONDITIONS ARE NOT DEFINED HEREIN, THEY WILL HAVE THE MEANING ASCRIBED TO THEM IN THE PLAN.**

**BY MY ELECTRONIC ELECTION TO ACCEPT THE GRANT OF PERFORMANCE SHARE UNITS (WHICH SERVES AS MY ELECTRONIC SIGNATURE OF THIS AGREEMENT), I AGREE THAT MY PARTICIPATION IN THE PLAN IS GOVERNED BY THE PROVISIONS OF THE PLAN AND THIS AGREEMENT.**

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## TERMS AND CONDITIONS OF PERFORMANCE SHARE UNIT AGREEMENT

1. Summary. The Company hereby awards to the Participant under the Plan as a separate incentive and not in lieu of any salary or other compensation for his or her services the opportunity to receive Performance Share Units, subject to all of the terms and conditions in this Agreement and the Plan. Generally, the Participant will not receive any Performance Share Units unless the specified service and performance requirements set forth herein are satisfied.

2. Vesting in Performance Share Units.

(a) Performance and service vesting requirements. Except as otherwise provided in Section 2(b), both performance and service vesting requirements must be satisfied before the Participant can earn Performance Share Units under this Agreement. With certain exceptions noted below, the Participant will vest in his/her right to receive Performance Share Units under this Agreement if the Participant remains in continuous employment with the Company or its Subsidiaries until the Service Vesting Date (as set forth on the first page of this Agreement) and the Company achieves the Adjusted Earnings Per Share targets specified in Schedule A for its \_\_\_\_ - \_\_\_\_ fiscal year (“Three Year Award”). However, the Participant may also vest in his/her right to receive Performance Share Units based on the Participant’s service and the Company’s attainment of the Adjusted Earnings Per Share targets for the \_\_\_\_ - \_\_\_\_ fiscal year, as discussed in Section 2(a)(ii) below.

(i) Three Year Award. With respect to a Three Year Award, if the Participant remains in continuous employment with the Company or its Subsidiaries until the Service Vesting Date, the Participant shall vest in his/her right to receive a number of Performance Share Units based on the performance matrix set forth in Section A of Schedule A. Schedule A sets forth how the number of the Participant’s vested Performance Share Units is calculated. Any Performance Share Units that vest and are paid under this Section 2(a)(i) shall be reduced by the number of the Participant’s Performance Share Units that vested and were paid under Section 2(a)(ii), but such number shall not be reduced below zero.

(ii) Interim Award. In the event that the Participant remains in continuous employment with the Company or its Subsidiaries until \_\_\_\_\_, the Participant shall vest in his/her right to receive a number of Performance Share Units based on the Company achieving the performance target set forth in Section B of Schedule A (such vested Performance Share Units are hereinafter referred to as “\_\_\_\_\_ Interim Award”). Schedule A sets forth how the number of the Participant’s vested Performance Share Units is calculated. Any Performance Share Units that vest and are paid under this Section 2(a)(ii) shall reduce, but not below zero, the number of the Participant’s Performance Share Units that vest and are paid under Section 2(a)(i) or Section 2(b).

(b) Special Vesting Rules.

(i) Death or PSU Disability. If the Participant dies or incurs a PSU Disability (as defined below) while employed by the Company or its Subsidiaries prior to the Service Vesting Date, the Participant shall vest in a number of Performance Share Units equal to the number of the Participant’s Target Number of Performance Share Units. A “PSU Disability”

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is a disability as defined under Treasury Regulation section 1.409A-3(i)(4)(i)(A) which generally means that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months. Any Performance Share Units that do not vest under this provision shall be forfeited upon the Participant's death or PSU Disability. Any Performance Share Units that vest and are paid under this Section 2(b)(i) shall be reduced by the number of the Participant's Performance Share Units that vested and were paid under Section 2(a)(ii).

(ii) PSU Change in Control. The Performance Share Units are subject to the following rules in the event the Participant remains in continuous employment with the Company or its Subsidiaries until the date of a change in control described in this subsection, which rules shall apply in lieu of the default Change in Control provisions under the Plan. Upon the occurrence of an event that: (A) occurs before the Service Vesting Date; (B) is a Change in Control; and (C) constitutes a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Code Section 409A (a "PSU Change in Control"), the Participant shall vest in a number of Performance Share Units equal to the number of the Participant's Target Number of Performance Share Units; provided that such Performance Share Units were not previously forfeited. Any Performance Share Units that do not vest upon a PSU Change in Control shall be forfeited upon the PSU Change of Control. Any Performance Share Units that vest and are paid under this Section 2(b)(ii) shall be reduced by the number of the Participant's Performance Share Units that vested and were paid under Section 2(a)(ii).

(iii) Other Termination. In the event that the Participant ceases to be employed by the Company or its Subsidiaries prior to the Service Vesting Date or, if earlier, the date of a PSU Change in Control for any reason other than death or PSU Disability, the Participant shall forfeit his/her right to all unvested and unpaid Performance Share Units. The Participant will cease to be employed by the Company or its Subsidiaries if the Participant is employed by an entity that ceases to be a Subsidiary.

3. Time and Form of Payment. Payouts of vested Performance Share Units shall be made in the form of shares of the Company's Class A Stock. Each Performance Share Unit awarded under this Agreement consists of the right to receive one share of Class A Stock. Vested Performance Share Units shall be paid as follows:

(a) Payments for Reasons other than Death, PSU Disability or PSU Change of Control.

(i) Three Year Award. The Participant's vested Performance Share Units under Section 2(a)(i) shall be paid: (A) on or after \_\_\_\_\_; (B) after the date the Committee completes the written certification set forth in Section 6(d) below with respect to the Three Year Award, which shall occur on or before \_\_\_\_\_; and (C) by \_\_\_\_\_.

(ii) Interim Award. The Participant's vested \_\_\_\_\_ Interim Award under Section 2(a)(ii) shall be paid: (A) on or after \_\_\_\_\_; (B) after the date the

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Committee completes the written certification set forth in Section 6(d) below with respect to the \_\_\_\_\_ Interim Award, which shall occur on or before \_\_\_\_\_; and (C) by \_\_\_\_\_.

(b) Death or PSU Disability. If the Participant dies or incurs a PSU Disability while employed by the Company or its Subsidiaries prior to the Service Vesting Date, the Participant's vested Performance Share Units shall be paid within 60 days following the date of the Participant's death or PSU Disability.

(c) PSU Change in Control. Upon the occurrence of an event that is a PSU Change in Control, the Participant's vested Performance Share Units shall be paid on or within 60 days following the date of such PSU Change in Control.

4. Committee Discretion. The Committee has complete and full discretionary authority to make all decisions and determinations under this Agreement, and all decisions and determinations by the Committee will be final and binding upon all persons, including, but not limited to, the Participant and his/her personal representatives, heirs and assigns.

5. Death of Participant. Any distribution or delivery to be made to the Participant under this Agreement shall, if the Participant is then deceased, be made to the Participant's designated beneficiary, or if no beneficiary survives the Participant, the Participant does not designate any beneficiary or the Committee does not permit beneficiary designations, to the administrator or executor of the Participant's estate. Any designation of a beneficiary by the Participant shall be effective only if such designation is made in a form and manner acceptable to the Committee. Any such permitted transferee upon the Participant's death must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

6. Code Section 162(m). This Award is intended to comply with the requirements of Code Section 162(m) and the provisions of this Award shall be interpreted and administered consistently with that intent. In that light, the following rules shall apply to the award:

(a) The Committee shall establish the performance targets and terms of this Agreement within 90 days of the commencement of the Company's \_\_\_\_\_ fiscal year. The satisfaction of the performance targets for paying Performance Share Units shall be substantially uncertain at the time they are established.

(b) The amount of Performance Share Units that vest shall be computed under an objective formula and the Committee shall have no discretionary authority to increase the amount of the Performance Share Units that vest or alter the methodology for calculating the Performance Share Units that vest, except as permitted by Code Section 162(m) and the Plan.

(c) The maximum amount the Participant can receive under the Plan for all Other Stock-Based Awards in any fiscal year cannot exceed \$5 million.

(d) Before any Performance Share Units are paid to the Participant, the Committee will certify, in writing, the Company's satisfaction of the pre-established

performance target and the number of Performance Share Units payable to the Participant.

7. Code Section 409A. Performance Share Units are generally intended to be exempt from Code Section 409A as short-term deferrals and, accordingly, the terms of this Agreement shall be construed to preserve such exemption. To the extent that this Agreement is subject to the requirements of Code Section 409A, this Agreement shall be interpreted and administered in accordance with the intent that the Participant not be subject to tax under Code Section 409A.

8. Settlement of Performance Share Units.

(a) Status as a Creditor. Unless and until Performance Share Units have vested in accordance with Section 2 above and become payable under Section 3 above, the Participant will have no settlement right with respect to any Performance Share Units. Prior to settlement of any vested Performance Share Units, the vested Performance Share Units will represent an unfunded and unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. The Participant is an unsecured general creditor of the Company, and settlement of Performance Share Units is subject to the claims of the Company's creditors.

(b) Form of Settlement. Performance Share Units will be settled in the form of Shares of Class A Stock. Fractional Shares will not be issued upon the vesting of Performance Share Units. In the event that a fractional Share is owed to the Participant, instead of paying such fractional Share, the Company shall round up the Shares that are payable to the Participant to the nearest whole number. Upon issuance, Shares will be electronically transferred to an account in the Participant's name at the provider then administering the Plan as it relates to the Performance Share Units.

9. Tax Liability and Withholding. The Company or one of its Subsidiaries shall assess and withhold any federal, state or local income taxes, social security taxes, or other employment withholding taxes that may arise or be applicable in connection with the Participant's participation in the Plan, including, without limitation, any tax liability associated with the grant or vesting of the Performance Share Units or sale of the underlying Shares (the "Tax Liability"). These requirements may change from time to time as laws or interpretations change. Regardless of the Company's or the Subsidiary's actions in this regard, the Participant hereby acknowledges and agrees that the Tax Liability shall be the Participant's sole responsibility and liability.

The Participant acknowledges that the Company's obligation to issue or deliver Shares shall be subject to satisfaction of the Tax Liability. Unless otherwise determined by the Company, withholding obligations shall be satisfied by having the Company or one of its Subsidiaries withhold all or a portion of any Shares that otherwise would be issued to the Participant upon settlement of the vested Performance Share Units; provided that amounts withheld shall not exceed the amount necessary to satisfy the Company's tax withholding obligations. Such withheld Shares shall be valued based on the Fair Market Value as of the date the withholding obligations are satisfied. The Company or one of its Subsidiaries may also satisfy the Tax Liability by deduction from the Participant's wages or other cash compensation

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paid to the Participant by the Company or the Subsidiary. If the Company or a Subsidiary does not elect to have withholding obligations satisfied by either withholding Shares or by deduction from the Participant's wages or other compensation paid to the Participant by the Company or the Subsidiary, the Participant agrees to pay the Company or the Subsidiary the amount of the Tax Liability in cash (or by check) as directed by the Company or the Subsidiary. Notwithstanding anything to the contrary in the Plan, the Participant shall not be entitled to satisfy any Tax Liability or withholding obligations that arise as a result of this Agreement by delivering to the Company any shares of capital stock of the Company.

10. Rights as Stockholder. Neither the Participant nor any person claiming under or through the Participant shall have any of the rights or privileges of a stockholder of the Company in respect of any Performance Share Units (whether vested or unvested) or underlying Shares unless and until such Performance Share Units vest and the corresponding Shares are issued. After such issuance, the Participant shall have the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares, if any.

11. Acknowledgments. The Participant acknowledges and agrees to the following:

- (a) The Plan is discretionary in nature and the Committee may amend, suspend, or terminate it at any time.
- (b) The grant of the Performance Share Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Share Units, or benefits in lieu of the Performance Share Units, even if the Performance Share Units have been granted repeatedly in the past.
- (c) All determinations with respect to future Performance Share Units, if any, including, but not limited to, the times when Performance Share Units shall be granted or when Performance Share Units shall vest, will be at the sole discretion of the Committee.
- (d) The Participant's participation in the Plan is voluntary.
- (e) The value of the Performance Share Units is an extraordinary item of compensation, which is outside the scope of the Participant's employment contract (if any), except as may otherwise be explicitly provided in the Participant's employment contract (if any).
- (f) The Performance Share Units are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating termination, severance, resignation, redundancy, end of service, or similar payments, or bonuses, long-service awards, pension or retirement benefits.
- (g) The future value of the Shares is unknown and cannot be predicted with certainty.
- (h) No claim or entitlement to compensation or damages arises from the termination or forfeiture of the Award, termination of the Plan, or diminution in value of the Performance Share Units or Shares, and the Participant irrevocably releases the Company and its Subsidiaries from any such claim that may arise.
- (i) Neither the Plan nor the Performance Share Units shall be construed to create an employment relationship where any employment relationship did not otherwise already exist.

(j) Nothing in this Agreement or the Plan shall confer upon the Participant any right to continue to be employed by the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company or the Subsidiary, which are hereby expressly reserved, to terminate the employment of the Participant under applicable law.

(k) The transfer of the employment of the Participant between the Company and any one of its Subsidiaries (or between Subsidiaries) shall not be deemed a termination of service.

(l) Nothing in this Agreement shall affect the Participant's right to participate in and receive benefits under and in accordance with the then current provisions of any pension, insurance or other employee welfare plan or program of the Company or any Subsidiary in which the Participant is entitled to participate.

(m) The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

(n) The Company reserves the right to impose other requirements on participation in the Plan, on the Performance Share Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or other applicable Rule or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

12. Changes in Stock. In the event that as a result of a stock dividend, stock split, reclassification, recapitalization, combination of Shares or the adjustment in capital stock of the Company or otherwise, or as a result of a merger, consolidation, spin-off or other reorganization, the Company's Class A Stock shall be increased, reduced or otherwise changed, the Performance Share Units shall be adjusted automatically consistent with such change to prevent substantial dilution or enlargement of the rights granted to, or available for, the Participant hereunder.

13. Address for Notices. All notices to the Company shall be in writing and sent to the Company's General Counsel at the Company's corporate headquarters. Notices to the Participant shall be addressed to the Participant at the address as from time to time reflected in the Company's employment records as the Participant's address.

14. Transferability. The Participant shall have no right to sell, assign, transfer, pledge or otherwise encumber the Performance Share Units in any manner. Shares may be sold, assigned, transferred or encumbered only after they are issued to the Participant upon settlement. Following the settlement and issuance of Shares, in the event the Company permits the Participant to arrange for a sale of Shares through a broker or another designated agent of the Company, the Participant acknowledges and agrees that the Company may block any such sale and/or cancel any order to sell placed by the Participant, in each case if the Participant is not then permitted under the Company's insider trading policy to engage in transactions with respect to securities of the Company. If the Committee determines that the ability of the Participant to sell or transfer Shares is restricted, then the Company may place a restrictive legend or stop transfer notation on any certificate that may be issued to represent such Shares or on its books

with respect to such Shares. If a legend or stop transfer notation is placed on any certificate or the Company's books with respect to the Participant's Shares, the Participant may only sell such Shares in compliance with such legend or notation.

15. Binding Agreement. Subject to the limitation on the transferability of this Award contained herein, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

16. Plan Governs. This Agreement is subject to all terms and provisions of the Plan. Capitalized terms not defined in this Agreement shall have the respective meanings given to such terms in the Plan. In the event of a conflict between one or more provisions of this Agreement and one or more provisions of the Plan, the provisions of the Plan shall govern.

17. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, United States of America, regardless of the law that might be applied under principles of conflict of laws.

18. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

19. Severability. In the event that any provision in this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

20. Modifications to this Agreement. This Agreement constitutes the entire understanding of the parties on the subjects covered. The Participant expressly warrants that he or she is not executing this Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Agreement can be made only in an express written contract executed by a duly authorized officer of the Company.

21. Amendment, Suspension or Termination of the Plan. By accepting this Award, the Participant expressly warrants that he or she has received a right to an Other Stock-Based Award under the Plan, and has received, read, and understood a description of the Plan. The Participant understands that the Plan is discretionary in nature and may be modified, suspended, or terminated by the Company at any time.

22. Compliance with Laws and Regulations; General Restrictions on Delivery of Shares. The Participant understands that the vesting of the Performance Share Units under the Plan and the issuance, transfer, assignment, sale, or other dealings of the Shares shall be subject to compliance by the Company (or any Subsidiary) and the Participant with all applicable requirements under the laws, rules, and regulations of the country of which the Participant is a resident. Furthermore, the Participant agrees that he or she will not acquire Shares pursuant to the Plan except in compliance with all under the laws and Rules of the country of which the Participant is a resident.

The Company shall not be required to transfer or deliver any Shares or dividends or distributions relating to such Shares until it has been furnished with such opinions,

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representations or other documents as it may deem necessary or desirable, in its discretion, to insure compliance with any law or Rules of the Securities and Exchange Commission or any other governmental authority having jurisdiction under the Plan or over the Company, the Participant, or the Shares or any interests therein. The award of Performance Share Units evidenced by this Agreement is also subject to the condition that, if at any time the Committee administering the Plan shall determine, in its discretion, that the listing, registration or qualification of the Shares (or any capital stock distributed with respect thereto) upon the New York Stock Exchange (or any other securities exchange or trading market) or under any United States state or Federal law or other applicable Rule, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of the Performance Share Units evidenced by this Agreement or the issuance, transfer or delivery of the Shares (or the payment of any dividends or other distributions related to the Shares), the Company shall not be required to transfer or deliver any Shares or dividends or distributions relating to such Shares unless such listing, registration, qualification, consent or approval shall have been effected or obtained to the complete satisfaction of the Committee and free of any conditions not acceptable to the Committee.

23. Electronic Delivery and Execution. The Participant hereby consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, plan documents, prospectus and prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other Award made or offered under the Plan. The Participant understands that, unless revoked by the Participant by giving written notice to the Company pursuant to the Plan, this consent will be effective for the duration of this Agreement. The Participant also understands that he or she will have the right at any time to request that the Company deliver written copies of any and all materials referred to above. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and agrees that his or her electronic signature is the same as, and will have the same force and effect as, his or her manual signature. The Participant consents and agrees that any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.

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**SCHEDULE A**

The number of Performance Share Units to which the Participant will be entitled if the Participant satisfies the applicable service requirements will be calculated by the Committee based on the Company’s Adjusted Earnings Per Share for the specified fiscal year. Specifically, the Committee shall calculate the number of vested Performance Share Units for the Participant if the Participant satisfies the applicable service requirements by multiplying the Participant’s Target Number of Performance Share Units by the applicable percentage determined as set forth below based on the Company’s Adjusted Earnings Per Share for the specified fiscal year. As noted in the Terms and Conditions to this Agreement, special rules apply under certain circumstances, such as death, PSU Disability and PSU Change in Control.

**Section A. Three Year Award**

The following table shall apply for calculating the Participant’s Three Year Award:

**Adjusted Earnings Per Share for the Company’s Fiscal Year Ending February 28, \_\_\_\_\_**

<b>\$ per Share</b>	<b>\$ per Share</b>	<b>\$ per Share</b>	<b>\$ per Share</b>	<b>\$ per Share</b>
____%	____%	____%	____%	____%

The maximum percentage by which the Participant’s Target Number of Performance Shares Units is multiplied cannot exceed 200%, and no Performance Share Units shall vest unless the Company’s Adjusted Earnings Per Share for the specified fiscal year is equal to or greater than the level required to earn an award of 25% of the Participant’s Target Number of Performance Shares Units. The number of the Participant’s vested Performance Share Units awarded for the Three Year Award shall be reduced by the number of the Performance Share Units the Participant received, if any, under the \_\_\_\_ Interim Award, but such number shall not be reduced below zero.

If the Company’s Adjusted Earnings Per Share falls between designated levels of performance set forth in the above table, the percentage by which the Participant’s Target Number of Performance Shares Units is multiplied will be calculated by linear interpolation.

**Section B. \_\_\_\_ Interim Award.**

In the event that the Adjusted Earnings Per Share for the Company’s Fiscal Year Ending February 28, \_\_\_\_\_ is \$\_\_\_\_ per share or greater, the number of the Participant’s vested Performance Share Units for his/her \_\_\_\_ Interim Award shall be equal to 50% of the Participant’s Target Number of Performance Share Units.

Adjusted Earnings Per Share shall mean the earnings per share reported by the Company in its audited financial statements, adjusted by the Committee for “Extraordinary Items”. “Extraordinary Items” means (a) items presented as such (or other comparable terms) on the Company’s audited financial statements, (b) extraordinary, unusual or nonrecurring items of gain or loss, (c) changes in tax or accounting laws or Rules, and (d) the effects of mergers,

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acquisitions, divestitures, spin offs or significant transactions, each of which are identified in the audited financial statements and notes thereto or in the “management’s discussion and analysis” of the financial statements in a period report filed with the SEC under the Exchange Act.