

**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) June 29, 2015

**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))
-

**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 June 29, 2015, 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 David Klein, Executive Vice President and Chief Financial Officer.

Approval of Salary

The Committee set Mr. Klein’s annual base salary which will take effect retroactively as of June 12, 2015, the date on which Mr. Klein became Executive Vice President and Chief Financial Officer. Specifically, Mr. Klein will receive an annual base salary of \$530,000. Mr. Klein is also eligible to receive the perquisites and benefits which the Company provides its other executive officers.

Employment Agreement

The Committee also determined it was appropriate to enter into an executive employment arrangement (“Employment Agreement”) with Mr. Klein. The Employment Agreement with Mr. Klein contains provisions concerning his term of employment, voluntary and involuntary termination, severance payments, and other termination benefits. Mr. Klein’s Employment Agreement is filed as Exhibit 10.1 to this Current Report on Form 8-K and is substantially similar to the employment agreements which the Company has entered into with other executive officers since 2010.

The term of Mr. Klein’s Employment Agreement runs from June 29, 2015 until February 28, 2016, provided that on February 28, 2016, and on each subsequent anniversary thereof, the term shall automatically be extended by the parties for an additional one-year period, until the Company gives Mr. Klein notice, not less than 180 days prior to February 28, 2016, or an anniversary thereof, of a decision not to extend the Employment Agreement for an additional one-year period.

The Employment Agreement provides for an initial annual base salary level for Mr. Klein in the amount of \$530,000, which may be adjusted upwards by the Committee.

Mr. Klein’s Employment Agreement is intended to comply with the provisions of Section 409A of the Internal Revenue Code, as amended. It provides for a cash payment equal to two (2) times Base Salary as in effect on the Termination Date and two (2) times the average annual bonus paid to him over the prior three (3) most recently completed fiscal years, as well as an amount equal to the cost of medical and dental coverage for a period of twenty-four (24) months, in the event the Employment Agreement expires or his employment is terminated by him for a Good Reason Termination or by the Company for any reason other than a For Cause Termination (as each term is defined in the Employment Agreement). Mr. Klein would also receive up to eighteen (18) months of outplacement services under these circumstances.

In addition, the Employment Agreement contains restrictions upon Mr. Klein’s ability, during and after the period of employment, to use confidential information or trade secrets of the Company, to provide services that are competitive with the Company, and to solicit or induce employees to terminate their employment relationships with the Company.

The preceding description of Mr. Klein’s Employment Agreement is a summary and is qualified in its entirety by the Employment Agreement filed herewith as Exhibit 10.1, all of which is incorporated by reference herein.

---

Criteria for 2016 Fiscal Year End Incentive Award

The Committee adopted the Annual Management Incentive Plan (AMIP) 2016 Fiscal Year Award Program for Newly-Designated Executive Officer David Klein, thereby establishing the performance criteria and bonus opportunity for Mr. Klein for Fiscal 2016. Pursuant to the 2016 Program for Mr. Klein, the potential incentive award for Fiscal 2016, if any, will equal 0.25% of “Earnings Before Interest and Taxes” as calculated under the AMIP and the 2016 Program for Mr. Klein and measured for the period from June 1, 2015 through February 29, 2016. The Committee reserves the right to exercise its negative discretion at the end of Fiscal 2016 to reduce the amount calculated in the preceding sentence to a bonus payment for Mr. Klein that the Committee believes to be appropriate based on such quantitative and qualitative factors as it deems appropriate. Also, no individual AMIP payout for a fiscal year or other performance period may exceed \$5 million.

Stock Option Grants

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 Mr. Klein, subject to the Terms and Conditions Memorandum with respect to the Stock Plan, the form of which was previously filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K dated April 28, 2014 and is incorporated herein by reference. The following table sets forth information regarding the grant to Mr. Klein:

Name	Number of Stock Options <sup>(1)</sup>	Exercise Price Per Share <sup>(2)</sup>
David Klein	11,010	\$115.60

- <sup>(1)</sup> The option 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: June 29, 2016, June 29, 2017, June 29, 2018 and June 29, 2019 provided that Mr. Klein remains in continuous employment with the Company or any of its subsidiaries until that date. The options can vest at an earlier date upon Mr. Klein’s Retirement (as that term is defined in the Terms and Conditions Memorandum) at any time on or after November 1, 2015, death, or Disability (as that term is defined in the Terms and Conditions Memorandum). Under the terms of the Stock Plan, options become fully exercisable immediately in the event of a Change in Control (as that term is defined in the Stock Plan).
- <sup>(2)</sup> The exercise price is equal to the closing price of the Company’s Class A Common Stock (into which, subject to certain requirements, shares of the Company’s Class 1 Common Stock are convertible on a one-for-one basis) on the New York Stock Exchange on June 29, 2015.

Restricted Stock Unit Grants

The Committee granted restricted stock units under the Stock Plan to certain of the Company’s management personnel, including Mr. Klein, subject to the provisions of a Restricted Stock Unit Agreement, the form of which was previously filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K dated April 28, 2015 and is incorporated herein by reference. The restricted stock units entitle Mr. Klein to receive a single share of the Company’s Class A Common Stock for each restricted stock unit granted under the Stock Plan. On June 29, 2015, which was the date of the restricted stock unit grant, the closing price of the Company’s Class A Common Stock on the New York Stock Exchange was \$115.60 per share. The following table sets forth information regarding the grant to Mr. Klein:

Name	Number of Units <sup>(1)</sup>
David Klein	1,590

---

- <sup>(1)</sup> Unvested restricted stock units under the grant are subject to forfeiture upon the occurrence of certain events related to termination of employment. One-fourth of the awarded units vest on each of the following dates: May 1, 2016, May 1, 2017, May 1, 2018 and May 1, 2019 provided that Mr. Klein remains in continuous employment with the Company or any of its subsidiaries until that date. The grant can vest at an earlier date upon the Retirement (as that term is defined in the Restricted Stock Unit Agreement) at any time on or after November 1, 2015, death, or RSU Disability (as that term is defined in the Restricted Stock Unit Agreement) of Mr. Klein. Under the terms of the Stock Plan, grants become fully vested in the event of a RSU Change in Control (as that term is defined in the Restricted Stock Unit Agreement). Dividend equivalents will accrue on the Restricted Stock Units (pursuant to the terms of the Restricted Stock Unit Agreement) during the period beginning June 29, 2015 and ending on the date that shares of Class A Common Stock are issued in settlement of vested Restricted Stock Units (as that term is defined in the Restricted Stock Unit Agreement) and the dividend equivalents will vest and become payable (net of applicable taxes) on the same terms and at the same time of settlement as the Restricted Stock Unit to which they relate.

Performance Share Unit Grants

The Committee granted performance share units to be settled in the Company's Class A Common Stock under the Stock Plan to Mr. Klein, subject to the provisions of the Performance Share Unit Agreement for executives (updated to reflect the specific information with respect to the grant to Mr. Klein). The form of Performance Share Unit Agreement for executives was previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 28, 2015 and is incorporated herein by reference. The number of shares of the Company's Class A Common Stock to be issued pursuant to the performance share units will depend upon the Company's Relative Total Stockholder Return (as that term is defined in the Performance Share Unit Agreement for executives) during the period from June 1, 2015 through February 28, 2018. On June 29, 2015, which was the date of the performance share unit grant, the closing price of the Company's Class A Common Stock on the New York Stock Exchange was \$115.60 per share. The following table sets forth information regarding the target award to Mr. Klein:

Name	Target Number of Units <sup>(1)</sup>
David Klein	1,590

- <sup>(1)</sup> Unvested performance share units are subject to forfeiture upon the occurrence of certain events related to termination of employment. Mr. Klein may vest in his right to receive the applicable number of performance share units if he remains in continuous employment with the Company or any of its subsidiaries until May 1, 2018. Mr. Klein will only vest in his right to receive the performance share units if the Company achieves certain Relative Total Stockholder Return results as set forth in the Performance Share Unit Agreement for executives. In the event Mr. Klein retires (as the term "Retirement" is defined in the Performance Share Unit Agreement for executives) at any time on or after November 1, 2015 and prior to May 1, 2018, vested awards are payable on a pro rata basis (as set forth in the Performance Share Unit Agreement for executives) and settled between May 1, 2018 and May 15, 2018 (consistent with the settlement date for participants with continuing employment). Target awards can vest at an earlier date upon the death or PSU Disability (as that term is defined in the Performance Share Unit Agreement for executives) of Mr. Klein or in the event of a PSU Change in Control (as that term is defined in the Performance Share Unit Agreement for executives). Dividend equivalents will accrue on the Performance Share Units (pursuant to the terms of the Performance Share Unit Agreement for executives) during the period beginning June 29, 2015 and ending on the date that shares of Class A Common Stock are issued in settlement of vested Performance Share Units (as that term is defined in the Performance Share Unit Agreement for executives) and the dividend equivalents will vest and become payable (net of applicable taxes) on the same terms and at the same time of settlement as the Performance Share Unit to which they relate.

**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 exhibit is filed as part of this Current Report on Form 8-K:

Exhibit No. Description

10.1 Executive Employment Agreement made as of June 29, 2015, between Constellation Brands, Inc. and David Klein.

---

**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: July 2, 2015

CONSTELLATION BRANDS, INC.

By: /s/Thomas J. Mullin  
Thomas J. Mullin  
Executive Vice President and  
General Counsel

---

## INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
(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.
(10)	MATERIAL CONTRACTS
(10.1)	Executive Employment Agreement made as of June 29, 2015, between Constellation Brands, Inc. and David Klein (filed herewith).*
(10.2)	Form of Terms and Conditions Memorandum for U.S. Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 28, 2014, filed May 1, 2014 and incorporated herein by reference).*
(10.3)	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 28, 2015, filed May 1, 2015 and incorporated herein by reference).*
(10.4)	Form of Performance Share Unit Agreement for executives with respect to the Company's Long-Term Stock Incentive Plan (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 28, 2015, filed May 1, 2015 and incorporated herein by reference).*
(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.

(99) ADDITIONAL EXHIBITS

Not Applicable.

(100) XBRL-RELATED DOCUMENTS

Not Applicable.

(101) INTERACTIVE DATA FILE

Not Applicable.

(106) STATIC POOL PDF

Not Applicable.

\*Designates management contract or compensatory plan or arrangement.



**EXECUTIVE EMPLOYMENT AGREEMENT**

This Agreement is made as of June 29, 2015 between Constellation Brands, Inc., a Delaware corporation (“Constellation”), and David Klein (“Executive”).

Executive has contributed substantially to the growth and success of Constellation. Accordingly, Constellation desires to retain Executive’s services as set forth in the Agreement and to provide the necessary consideration to assure such services.

Constellation and Executive therefore agree as follows:

1. **Employment.** Constellation hereby employs Executive as its Executive Vice President and Chief Financial Officer or in such other senior executive position with Constellation or its affiliates as Constellation and Executive shall mutually agree upon. Executive hereby accepts the employment specified herein, agrees to perform, in good faith, the duties, consistent with his position, to abide by the terms and conditions described in this Agreement and to devote his full working time and best efforts to Constellation and its affiliates. These obligations shall not restrict Executive from engaging in customary activities as a director or trustee of other business or not-for-profit organizations so long as such activities, in the reasonable opinion of Constellation or its Board of Directors, do not materially interfere with the performance of Executive’s responsibilities under this Agreement or create a real or apparent conflict of interests.

2. **Term.** The term of this Agreement shall commence on the date set forth above and shall expire on February 28, 2016, provided that on February 28, 2016, and on each subsequent anniversary thereof, the term shall automatically be extended by the parties for an additional one-year period, until Constellation gives Executive notice, not less than 180 days prior to February 28, 2016, or an anniversary thereof, of a decision not to extend the Agreement for an additional one-year period.

3. **Compensation.** During the term of Executive’s employment, Constellation shall pay him a base salary at the rate of \$530,000 per annum or such greater amount as the Human Resources Committee of the Board shall determine (“Base Salary”). Such Base Salary shall be payable in accordance with Constellation’s standard payroll practices for senior executives. Constellation may pay Executive a bonus in such amount and at such time or times as the Human Resources Committee of the Board shall determine.

4. **Reimbursement for Expenses/Benefits.** Executive shall be expected to incur various reasonable business expenses customarily incurred by persons holding like positions, including but not limited to traveling, entertainment and similar expenses incurred for the benefit of Constellation. Constellation shall reimburse Executive for such expenses from time to time, at Executive’s request, and Executive shall account to Constellation for such expenses. Executive shall participate in such benefit plans that are generally made available to all executives of Constellation.

5. Definitions.

“Board” or “Board of Directors” means the Board of Directors of Constellation Brands, Inc.

“COBRA” means the continuation of health care rules of Part 6 of Title I of the Employee Retirement Income Security Act of 1974, as amended.

“Code” means the Internal Revenue Code of 1986, as amended.

“For Cause Termination” means Constellation terminates Executive for (a) any intentional, non-incident misappropriation of funds or property of Constellation by Executive; (b) unreasonable (and persistent) neglect or refusal by Executive to perform his duties as provided in Section 1 hereof and which he does not remedy within thirty days after receipt of written notice from Constellation; (c) the material breach by Executive of any provision of Sections 8 or 10 which he does not remedy within thirty days after receipt of written notice from Constellation; or (d) conviction of Executive of a felony.

“Good Reason Termination” means Executive terminates his employment under this Agreement for “good reason” upon 30 days’ notice to Constellation given within 90 days following the occurrence of any of the following events without his consent, each of which shall constitute a “good reason” for such termination; provided that the following events shall not constitute “good reason” if the event is remedied by Constellation within 30 days after receipt of notice given by Executive to Constellation specifying the event:

- (a) Constellation acts to materially reduce Executive’s employment band or materially reduce Executive’s duties and responsibilities;
- (b) Constellation materially reduces the amount of Executive’s Base Salary; or
- (c) Constellation materially breaches this Agreement.

“Section 409A” means Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Department regulations and other authoritative guidance issued thereunder.

“Termination Date” means the date of the Executive’s “separation from service” (within the meaning of Section 409A) from Constellation.

6. Consequence of Termination or Expiration of Agreement. If (i) Executive voluntarily ceases employment with Constellation and its affiliates, quits or terminates this Agreement for any reason other than a Good Reason Termination, or (ii) Constellation terminates the employment of Executive in a For Cause Termination, then Executive’s rights and Constellation’s obligations hereunder shall forthwith terminate except that Executive shall be paid, as soon as administratively practicable after the Termination Date, all earned but unpaid base salary, accrued paid time off and accrued but unreimbursed expenses required to be reimbursed under this Agreement.

If Executive's employment with Constellation and its affiliates terminates on the date that this Agreement expires or if, during the term of this Agreement, Executive's employment with Constellation and its affiliates is terminated (i) by Executive for a Good Reason Termination or (ii) by Constellation for any reason other than a For Cause Termination, then Executive shall be entitled to the following (which shall be in full and complete satisfaction of all of Constellation's obligations under this Agreement):

(a) Constellation shall pay to Executive all earned but unpaid Base Salary, accrued paid time off and accrued but unreimbursed expenses required to be reimbursed under this Agreement; and

(b) Constellation shall pay to Executive a cash amount equal to two (2) times his Base Salary as in effect on the Termination Date plus two (2) times his Previous Bonus (as defined below). For purposes of this Agreement, "Previous Bonus" shall equal the average annual cash bonus paid to Executive over the three most recently completed fiscal years, whether under Constellation's Annual Management Incentive Plan or as part of another annual cash bonus program; and

(c) Commencing on the first business day of the month following the month in which the Termination Date occurs and for the 23 months following such date, Constellation shall pay Executive an amount equal to the monthly cost of Executive's medical and dental coverage as of the Termination Date taking into account both Constellation's and Executive's cost for such coverage; provided that the first payment shall not be made until the first business day occurring on or after the forty-fifth (45<sup>th</sup>) day following the Termination Date and the payment on that date shall include all payments that would otherwise have been paid absent this forty-five (45) day delay; and

(d) For the eighteen (18) month period commencing on the first business day occurring on or after the forty-fifth (45<sup>th</sup>) day after the Termination Date, Constellation shall provide Executive with reasonable outplacement services; and

(e) Constellation shall provide Executive with the opportunity to purchase continued health care coverage under Constellation's plans as required by COBRA; and

(f) Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor will any payments hereunder be subject to offset in respect of compensation earned as a result of Executive's employment with another employer subsequent to the Executive's termination with Constellation and its affiliates.

## 7. Timing of Payments

All payments under Section 6(a) shall be due and payable, as soon as administratively practicable after the Termination Date. All payments under Section 6(b) shall be due and payable in a single lump sum amount on the first business day occurring on or after the forty-fifth (45th) day after the Termination Date. Payments or benefits set forth in Sections 6(c)-(d) shall be paid or provided at such times set forth therein. Notwithstanding any provision in this Agreement to the contrary, no amounts or benefits under Sections 6(b)-(d) shall be paid to Executive hereunder unless Executive signs and executes a release substantially in the form attached hereto as Exhibit A and such release becomes effective and nonrevocable within forty-five (45) days after the Termination Date.

Notwithstanding any provision in this Agreement to the contrary, in the event that Executive is a "specified employee" (within the meaning of Section 409A) on the Termination Date and Constellation determines that delaying the payment of amounts under this Agreement is necessary to comply with the requirements of Section 409A, the payments under Sections 6(b) and 6(c) that would have otherwise been paid within the six month period after the Termination Date shall instead be paid on the first business day of the seventh month following the Termination Date. The timing of all payments and benefits under this Agreement shall be made consistent with the requirements of Section 409A to the extent a payment or benefit is subject to such requirements.

## 8. Restrictive Covenant.

(a) Executive agrees that (i) during the period of his employment hereunder and (ii) provided that Executive is entitled to the payment under Section 6(b) or is terminated due to a For Cause Termination, for a period of two (2) years after he ceases employment, he will not, without the written consent of Constellation, seek or obtain a position with a Competitor (as defined below) in which Executive will use or is likely to use any confidential information or trade secrets of Constellation or any affiliate of Constellation, or in which Executive has duties for such Competitor that involve Competitive Services (as defined below) and that are the same or similar to those services actually performed by Executive for Constellation or any affiliate of Constellation. The parties agree that Executive may continue service on any boards of directors on which he is serving while employed by Constellation or its affiliates. If Executive's employment is terminated by Executive for a Good Reason Termination or by Constellation for any reason other than a For Cause Termination, then Constellation will not unreasonably withhold such consent provided Constellation receives information and assurances, satisfactory to Constellation, regarding Executive's new position.

(b) Executive understands and agrees that the relationship between Constellation and its affiliates and each of their respective employees constitutes a valuable asset of Constellation and its affiliates and may not be converted to Executive's own use. Accordingly, Executive hereby agrees that (i) during the period of his employment hereunder and (ii) for a period of twelve months (12) months after he ceases employment, Executive shall not directly or indirectly, on his own behalf or on behalf of another person, solicit or induce any employee to terminate his or her employment relationship with Constellation or any affiliate of Constellation or to enter into employment with another person. The foregoing shall not apply to employees who respond to solicitations of employment directed to the general public or who seek employment at their own initiative.

(c) For the purposes of this Section 8, "Competitive Services" means the provision of goods or services that are competitive with any goods or services offered by Constellation or any affiliate of Constellation including, but not limited to manufacturing, importing, exporting, distributing or selling wine, beer, liquor or other alcoholic beverages in the United States, Canada, New Zealand, Italy and/or Mexico. The parties acknowledge that Constellation or its affiliates may from time to time during the term of this Agreement change or increase the line of goods or services it provides and its geographic markets, and Executive agrees that this Agreement shall be deemed to be amended from time to time to include such different or additional goods, services, and geographic markets to the definition of "Competitive Services" for purposes of this Section 8. "Competitor" means any individual or any entity or enterprise engaged, wholly or in part, in Competitive Services.

(d) Executive agrees that, due to his position of trust and confidence, the restrictions contained in this Section 8 are reasonable, and the benefits conferred on him in this Agreement, including his compensation, are adequate consideration, and, since the nature of Constellation's and its affiliates' collective business is international in scope, the geographic restriction herein is reasonable.

(e) Executive acknowledges that a breach of this Section 8 will cause irreparable injury and damage, which cannot be reasonably or adequately compensated by money damages. Accordingly, he acknowledges that the remedies of injunction and specific performance shall be available in the event of such a breach, and Constellation shall be entitled to money damages, costs and attorneys' fees, and other legal or equitable remedies, including an injunction pending trial, without the posting of bond or other security. Any period of restriction set forth in this Section 8 shall be extended for a period of time equal to the duration of any breach or violation thereof.

(f) In the event of Executive's breach of this Section 8, in addition to the injunctive relief described above, Constellation's remedy shall include (i) the right to require Executive to account for and pay over to Constellation all compensation, profits, monies, accruals, increments or other benefits derived or received by Executive as the result of any transactions constituting a breach of the restrictive covenants in this Section 8, and (ii) in the case of a breach during the term of Executive's employment hereunder, the termination of all compensation otherwise payable to Executive under Sections 3 and 4 with respect to the period of time after such breach, or (iii) in the case of a breach during the period described in Section 8(a)(ii) or 8(b)(ii) above, the forfeiture to Constellation of any payment made under Sections 6(b) herein.

(g) In the event that any provision of this Section 8 is held to be in any respect an unreasonable restriction, then the court so holding may modify the terms thereof, including the period of time during which it operates or the geographic area to which it applies, or effect any other change to the extent necessary to render this Section 8 enforceable, it being acknowledged by the parties that the representations and covenants set forth herein are of the essence of this Agreement.

9. Limitation on Payments. Notwithstanding anything contained in this Agreement or any other compensation plan to the contrary, if upon or following a change in the “ownership or effective control” of Constellation or in the “ownership of a substantial portion of the assets” of Constellation (each within the meaning of Section 280G of the Code), the tax imposed by Section 4999 of the Code (the “Excise Tax”) applies to any payments, benefits and/or amounts received by the Executive pursuant to this Agreement or otherwise, including, without limitation, any benefits received by the Executive as a result of any automatic vesting, lapse of restrictions and/or accelerated target or performance achievement provisions, or otherwise, applicable to outstanding grants or awards to the Executive under any of Constellation’s incentive plans, including without limitation, Constellation’s Long-Term Stock Incentive Plan (collectively, the “Total Payments”), then the Total Payments shall be reduced so that the maximum amount of the Total Payments (after reduction) shall be one dollar (\$1.00) less than the amount which would cause the Total Payments to be subject to the Excise Tax; provided that such reduction to the Total Payments shall be made only if the total after-tax benefit to the Executive is greater after giving effect to such reduction than if no such reduction had been made. If such a reduction is required, Constellation shall reduce or eliminate the Total Payments by eliminating or reducing the payment under Section 6(b) and then, if necessary eliminating or reducing the payment under Section 6(c). In the case of reductions under Section 6(c) the payments shall be reduced in reverse order beginning with the payments which are to be paid the farthest in time.

10. Trade Secrets and Confidential Information. Executive agrees that unless duly authorized in writing by Constellation, he will neither during his employment by Constellation or its affiliates nor at any time thereafter divulge or use in connection with any business activity other than that of Constellation or its affiliates any trade secrets or confidential information first acquired by him during and by virtue of his employment with Constellation or its affiliates.

11. Indemnification. Constellation and its successors and/or assigns will indemnify, hold harmless, and defend Executive to the fullest extent permitted by the law of the State of Delaware and the Certificate of Incorporation and By-Laws of Constellation as in effect on the date of this Agreement with respect to any claims that may be brought against Executive arising out of any action taken or not taken by Executive in his capacity as an employee, officer or director of Constellation. In addition, Constellation will advance to Executive reasonable legal fees and expenses, as such fees and expenses are incurred by Executive, to the fullest extent permitted by law, subject only to any requirements as are imposed by law. Executive shall not unreasonably withhold his consent to the settlement of any claim for monetary damages for which Executive is entitled to full indemnification hereunder. Executive shall be covered, in respect of his activities as an officer or director of Constellation, by any Directors and Officers liability policy or other similar policies maintained or obtained by Constellation or any of its successors and/or assigns to the fullest extent permitted by such policies. Notwithstanding anything to the contrary contained in this Agreement, Executive’s rights under this Section 11 shall survive the Termination Date and the expiration or termination of this Agreement and shall continue without limit for so long as Executive may be subject to any claims covered by this Section 11. No amendment to the Certificate of Incorporation or By-Laws of Constellation after the date of this Agreement will affect or impair

Executive's rights under this Section 11 even with respect to any action taken or not taken by Executive after the effective date of any such amendment.

12. Notice. Any and all notices referred to herein shall be sufficient if furnished in writing and sent by registered mail to the parties.

13. Transferability. The rights, benefits and obligations of Constellation under this Agreement shall be transferable, and all covenants and agreements hereunder shall inure to the benefit of and be enforceable by or against, its successors and assigns. Whenever the term "Constellation" is used in this Agreement, such term shall mean and include Constellation Brands, Inc. and its successors and assigns. The rights and benefits of Executive under this Agreement shall not be transferable other than rights to property or compensation that may pass on his death to his estate or beneficiaries through his will or the laws of descent and distribution and the terms of any Constellation compensation or benefit plan.

14. Severability. If any provision of this Agreement or the application thereof is held invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any other provisions of this Agreement which can be given effect without the invalid or unenforceable provision, and to this end the provisions of this Agreement are to be severable.

15. Amendment; Waiver. This Agreement contains the entire agreement of the parties with respect to the employment of Executive by Constellation and/or its affiliates and upon execution of this Agreement supersedes any previous agreement with Constellation and/or its affiliates. No amendment or modification of this Agreement shall be valid unless evidenced by a written instrument executed by the parties hereto. No waiver by either party of any breach by the other party of any provision or conditions of this Agreement shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time.

16. Tax Withholding. Constellation may withhold from any payments due to Executive hereunder such amounts as Constellation may determine are required to be withheld under applicable federal, state and local tax laws. To the extent that there are no cash payments to withhold upon, Executive shall promptly remit to Constellation cash payments that are sufficient to cover all applicable withholdings.

17. Section 409A. The parties intend that benefits under this Agreement are to be either exempt from, or comply with, the requirements of Section 409A, and this Agreement shall be interpreted and administered in accordance with the intent that Executive not be subject to tax under Section 409A. If any provision of the Agreement would otherwise conflict with or frustrate this intent, that provision will be interpreted and deemed amended so as to avoid the conflict. Any reference in this Agreement to "terminates employment", "employment with Constellation and its affiliates terminates", or similar phrase shall mean an event that constitutes a "separation from service" within the meaning of Section 409A. Constellation shall not be responsible for any tax, penalty, interest or similar assessment imposed on Executive as a consequence of Section 409A. Each payment hereunder shall be treated as a separate payment for purposes of Section 409A.

18. Governing Law. This Agreement shall be governed by and construed under and in accordance with the laws of the State of New York without regard to principles of conflicts of laws.

[signature page follows]

- 8 -

---



IN WITNESS WHEREOF, the parties have executed this Executive Employment Agreement as of the date first set forth above.

CONSTELLATION BRANDS, INC.

By: /s/Robert Sands  
Name: Robert Sands  
Title: President and Chief Executive  
Officer

/s/David Klein  
David Klein

**Exhibit A**

**FULL AND FINAL RELEASE OF CLAIMS**

1. In consideration of the payments provided for in Sections 6(b)-(d) of the Executive Employment Agreement (hereinafter referred to as the "Employment Agreement") between **CONSTELLATION BRANDS, INC.** and **DAVID KLEIN** (hereinafter referred to as "Executive"), which is attached hereto and forms a part of this Full and Final Release of Claims, on behalf of himself, his heirs, administrators and assigns, Executive hereby releases and forever discharges Constellation Brands, Inc., its subsidiaries and affiliates and each of its and their respective officers, directors, employees, servants and agents, and their successors and assigns, (hereinafter collectively referred to as "Constellation Released Parties") jointly and severally from any and all actions, causes of action, contracts and covenants, whether express or implied, claims and demands for damages, indemnity, costs, attorneys' fees, interest, loss or injury of every nature and kind whatsoever arising under any federal, state, or local law, or the common law, which Executive may heretofore have had, may now have or may hereinafter have in any way relating to any matter, including but not limited to, any matter related to Executive's employment by Constellation Released Parties and the termination of that employment; provided, however, nothing in this Full and Final Release of Claims shall release (i) Executive's right to receive the payments or benefits provided for in Sections 6(b)-(d) of the Employment Agreement, (ii) Executive's vested benefits under Constellation Brands, Inc.'s pension plans or rights under any existing stock options held by Executive, or (iii) any right to indemnification or advancement of expenses pursuant to Section 11 of the Employment Agreement or the Certificate of Incorporation or By-laws of Constellation Brands, Inc. (the items in the foregoing clauses (i) through (iii) are hereinafter referred to as the "Preserved Rights").

a. This Full and Final Release of Claims covers, without limitation, any claims of discrimination, unlawful retaliation or harassment, or denial of rights, on the basis of any protected status, characteristic or activity, including, but not limited to, sex, disability, handicap, race, color, religion, creed, national origin, ancestry, citizenship, ethnic characteristics, sexual orientation, marital status, military status, or age (including, without limitation, any right or claim arising under the Age Discrimination in Employment Act), need for a leave of absence, or complaint about discrimination, harassment, or other matter, arising under any state, federal, or local law (whether statutory or common law), regulation or ordinance which may be applicable to his employment by Constellation Released Parties. This Full and Final Release of Claims also covers, without limitation, any claims of wrongful termination, breach of express or implied contract, breach of implied covenant of good faith and fair dealing, violation of public policy, intentional or negligent infliction of emotional distress, defamation, invasion of privacy, fraud or negligent misrepresentation, intentional or negligent interference with contractual relations, and any other common law tort. Except to the extent that they constitute Preserved Rights, this Full and Final Release of Claims also covers any claims for severance pay, bonus, life insurance, health and medical insurance, disability benefits, or any other fringe benefit, and claims related to any other transaction, occurrence, act, or omission or any loss, damage or injury whatsoever, known or unknown, resulting from any act or omission by or on the part of Constellation Released Parties, or any of them, committed or omitted prior to the date of this Full and Final Release of Claims.

b. Executive understands and agrees that the giving of the aforementioned consideration is deemed to be no admission of liability on the part of the Constellation Released Parties.

c. In the event that Executive should hereafter make any claim or demand or commence or threaten to commence any action, claim or proceeding against the Constellation Released Parties for or by reason of any cause, matter or thing other than a Preserved Right, this document may be raised as a complete bar to any such claim, demand or action.

2. By signing this Full and Final Release of Claims, Executive acknowledges that:

a. He has been afforded a reasonable and sufficient period of time to review, and deliberate thereon, and has been specifically urged by Constellation Released Parties to consult with legal counsel or a representative of his choice before signing this Full and Final Release of Claims and that he has had a fair opportunity to do so; and

b. He has carefully read and understands the terms of this Full and Final Release of Claims; and

c. He has signed this Full and Final Release of Claims freely and voluntarily and without duress or coercion and with full knowledge of its significance and consequences, and of the rights and claims relinquished, surrendered, released and discharged hereunder; and

d. He acknowledges he is not entitled to the consideration described above in the absence of signing this Full and Final Release of Claims; and

e. The consideration which he is receiving in exchange for his release of claims is of value to him; and

f. The only consideration for signing this Full and Final Release of Claims are the terms stated herein, and no other promise, agreement or representation of any kind has been made to him by any person or entity whatsoever to cause him to sign this Full and Final Release of Claims; and

g. He was offered a minimum period of at least twenty-one (21) days after his receipt of this Full and Final Release of Claims to review and consider it and for deliberation thereon, and, to the extent he has elected to sign it prior to the expiration of the twenty-one (21) day period, he does so voluntarily on his own initiative without any inducement or encouragement on the part of the Constellation Released Parties to do so.

h. He understands that this Full and Final Release of Claims may be revoked in writing by him at any time during the period of seven (7) calendar days following the date of his execution of this Full and Final Release of Claims by delivering such written revocation to \_\_\_\_\_, at his office located at \_\_\_\_\_, New York \_\_\_\_\_. If such seven-day revocation period expires without his exercising his revocation right, the obligations of this Full and Final Release of Claims will then become fully effective as more fully set forth herein.

**IN WITNESS WHEREOF**, Executive has hereunto executed this Full and Final Release of Claims by affixing his hand this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ in the presence of the witness whose signature is subscribed below.

\_\_\_\_\_  
David Klein

Sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

**IN WITNESS WHEREOF**, \_\_\_\_\_ has hereunto executed this Full and Final Release of Claims on behalf of Constellation Brands, Inc., its subsidiaries, affiliates, by affixing [his/her] hand this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ in the presence of the witness whose signature is subscribed below.

\_\_\_\_\_  
[Name]  
[Title]

Sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public