

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended May 31, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-08495



Constellation Brands

CONSTELLATION BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

16-0716709

(I.R.S. Employer Identification No.)

50 East Broad Street, Rochester, New York 14614

(Address of principal executive offices) (Zip code)

(585) 678-7100

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Class A Common Stock

Trading Symbol(s)

STZ

Name of Each Exchange on Which Registered

New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Non-accelerated filer ☐

Accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

There were 176,266,239 shares of Class A Common Stock and 27,167 shares of Class 1 Common Stock outstanding as of June 30, 2025.

TABLE OF CONTENTS

	Page
DEFINED TERMS	i
PART I – FINANCIAL INFORMATION	
Item 1. Financial Statements	
Consolidated Balance Sheets	1
Consolidated Statements of Comprehensive Income (Loss)	2
Consolidated Statements of Changes in Stockholders' Equity	3
Consolidated Statements of Cash Flows	4
Notes to Consolidated Financial Statements	
1. Basis of Presentation	6
2. Acquisitions and Divestitures	6
3. Restructuring	7
4. Inventories	8
5. Derivative Instruments	8
6. Fair Value of Financial Instruments	11
7. Goodwill	13
8. Intangible Assets	13
9. Other Assets	14
10. Borrowings	15
11. Income Taxes	17
12. Stockholders' Equity	18
13. Net Income (Loss) Per Common Share Attributable to CBI	19
14. Comprehensive Income (Loss) Attributable to CBI	19
15. Business Segment Information	21
16. Accounting Guidance Not Yet Adopted	23
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	24
Item 3. Quantitative and Qualitative Disclosures About Market Risk	41
Item 4. Controls and Procedures	42
PART II – OTHER INFORMATION	
Item 1. Legal Proceedings	43
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	43
Item 5. Other Information	44
Item 6. Exhibits	44
SIGNATURES	48

This Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements. For further information regarding such forward-looking statements, risks, and uncertainties, please see "Information Regarding Forward-Looking Statements" under MD&A.

DEFINED TERMS

Unless the context otherwise requires, the terms “Company,” “CBI,” “we,” “our,” or “us” refer to Constellation Brands, Inc. and its subsidiaries. We use terms in this Form 10-Q and in our Notes that are specific to us or are abbreviations that may not be commonly known or used.

TERM	MEANING
\$	U.S. dollars
10b5-1 Trading Plan	a pre-arranged trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act
2023 Authorization	authorization to repurchase our publicly traded common stock, approved by our Board of Directors in November 2023, replaced by the 2025 Authorization
2025 Annual Report	our Annual Report on Form 10-K for the fiscal year ended February 28, 2025
2025 Authorization	authorization to repurchase up to \$4.0 billion of our publicly traded common stock, approved by our Board of Directors in April 2025
2025 Credit Agreement	eleventh amended and restated credit agreement, dated as of April 28, 2025, that provides for a \$2.25 billion aggregate revolving credit facility
2025 Term Credit Agreement	term loan credit agreement, dated as of May 9, 2025, that provides for a \$500.0 million unsecured delayed draw term loan facility
2025 Restructuring Initiative	an enterprise-wide cost savings and restructuring initiative designed to help optimize the performance of our business, including through enhanced organizational efficiency and optimized expenditures across our organization, with the majority of the work expected to be completed within Fiscal 2026 and net annualized cost savings expected to be fully realized by Fiscal 2028
2025 Wine Divestitures	sale and, in certain instances, exclusive license to use the trademarks of a portion of our wine and spirits business, primarily centered around our mainstream wine brands and associated inventory, wineries, vineyards, offices, and facilities on June 2, 2025
3-tier	distribution channel where products are sold to a distributor (wholesaler) who then sells to a retailer; the retailer sells the products to a consumer
3-tier eCommerce	digital commerce experience for consumers to purchase beverage alcohol from retailers
4.75% December 2015 Senior Notes	\$400.0 million principal amount of 4.75% senior notes issued in December 2015, now repaid in full
4.80% May 2025 Senior Notes	\$500.0 million aggregate principal amount of senior notes issued in May 2025
5.00% February 2023 Senior Notes	\$500.0 million principal amount of 5.00% senior notes issued in February 2023, now repaid in full
ABA	alternative beverage alcohol
Administrative Agent	Bank of America, N.A., as administrative agent for the senior credit facility and the 2025 Term Credit Agreement
AOCI	accumulated other comprehensive income (loss)
Canopy	Canopy Growth Corporation, an Ontario, Canada-based public company in which we have an investment
CB International	CB International Finance S.à r.l., a wholly-owned subsidiary of ours
Class 1 Stock	our Class 1 Convertible Common Stock, par value \$0.01 per share

TERM	MEANING
Class A Stock	our Class A Common Stock, par value \$0.01 per share
CODM	chief operating decision maker, our President and Chief Executive Officer
Comparable Adjustments	certain items affecting comparability that have been excluded because management uses this information in monitoring and evaluating the results and underlying business trends of the core operations of the Company and/or in internal goal setting
CPG	consumer packaged goods
CSR	corporate social responsibility
Depletions	represent U.S. distributor shipments of our respective branded products to retail customers, based on third-party data
Digital Business Acceleration	a multi-year initiative by the Company to create a cohesive digital strategy and build an advanced digital business
DTC	direct-to-consumer inclusive of (i) a digital commerce experience for consumers to purchase directly from brand websites with inventory coming straight from the supplier and (ii) consumer purchases at hospitality locations (tasting rooms and tap rooms) from the supplier
Exchangeable Shares	class of non-voting and non-participating exchangeable shares in Canopy which are convertible into common shares of Canopy on a one-for-one basis
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
Financial Statements	our consolidated financial statements and notes thereto included herein
First Quarter 2025	the Company's three months ended May 31, 2024
First Quarter 2026	the Company's three months ended May 31, 2025
Fiscal 2025	the Company's fiscal year ended February 28, 2025
Fiscal 2026	the Company's fiscal year ending February 28, 2026
Fiscal 2027	the Company's fiscal year ending February 28, 2027
Fiscal 2028	the Company's fiscal year ending February 29, 2028
Fiscal 2029	the Company's fiscal year ending February 28, 2029
Fiscal 2030	the Company's fiscal year ending February 28, 2030
Fiscal 2031	the Company's fiscal year ending February 28, 2031
Form 10-Q	this Quarterly Report on Form 10-Q for the quarterly period ended May 31, 2025, unless otherwise specified
IRA	Inflation Reduction Act of 2022
IT	information technology
Mainstream	wine that sells less than \$11.00 per bottle at retail and sparkling wine and all other wine that sells less than \$13.00 per bottle at retail
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations under Part I – Item 2. of this Form 10-Q

TERM	MEANING
Mexicali Brewery	canceled brewery construction project located in Mexicali, Baja California, Mexico, sold the remaining assets classified as held for sale in July 2024
Mexico Beer Projects	expansion, optimization, and/or construction activities at the Obregón Brewery, Nava Brewery, and Veracruz Brewery
M&T	Manufacturers and Traders Trust Company
Nava	Nava, Coahuila, Mexico
Nava Brewery	our brewery located in Nava
Net sales	gross sales less promotions, returns and allowances, and excise taxes
NM	not meaningful
Non-GAAP	financial measures not calculated in accordance with U.S. GAAP, for example, comparable operating income (loss)
Note(s)	notes to the consolidated financial statements
Obregón	Obregón, Sonora, Mexico
Obregón Brewery	our brewery located in Obregón
OECD	Organization for Economic Cooperation and Development
OCI	other comprehensive income (loss)
Pre-issuance hedge contracts	treasury lock and/or swap lock contracts designated as cash flow hedges entered into to hedge treasury rate volatility on future debt issuances
Premium	wine that sells between \$11.00 to \$24.99 per bottle at retail and sparkling wine that sells between \$13.00 to \$34.99 per bottle at retail
SEC	Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
SOFR	secured overnight financing rate administered by the Federal Reserve Bank of New York
SVEDKA Divestiture	sale of the SVEDKA brand and related assets, primarily including inventory and equipment on January 6, 2025
U.S.	United States of America
U.S. GAAP	generally accepted accounting principles in the U.S.
Veracruz	Heroica Veracruz, Veracruz, Mexico
Veracruz Brewery	our new brewery being constructed in Veracruz

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions, except share and per share data)
(unaudited)

	May 31, 2025	February 28, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 73.9	\$ 68.1
Accounts receivable	813.3	736.5
Inventories	1,411.9	1,437.2
Prepaid expenses and other	628.1	561.1
Assets held for sale	1,014.1	913.5
Total current assets	3,941.3	3,716.4
Property, plant, and equipment	7,719.7	7,409.8
Goodwill	5,156.8	5,126.8
Intangible assets	2,533.5	2,532.3
Deferred income taxes	1,755.3	1,805.3
Other assets	1,156.1	1,061.7
Total assets	\$ 22,262.7	\$ 21,652.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	\$ 377.5	\$ 806.7
Current maturities of long-term debt	1,403.0	1,402.0
Accounts payable	979.5	939.8
Other accrued expenses and liabilities	934.1	886.7
Total current liabilities	3,694.1	4,035.2
Long-term debt, less current maturities	9,786.5	9,289.0
Deferred income taxes and other liabilities	1,250.0	1,193.3
Total liabilities	14,730.6	14,517.5
Commitments and contingencies		
CBI stockholders' equity:		
Class A Stock, \$0.01 par value – Authorized, 322,000,000 shares; Issued, 212,698,298 shares and 212,698,298 shares, respectively	2.1	2.1
Additional paid-in capital	2,130.6	2,144.6
Retained earnings	12,938.9	12,603.4
Accumulated other comprehensive income (loss)	(312.0)	(662.7)
Class A Stock in treasury, at cost, 36,002,125 shares and 34,505,141 shares, respectively	(7,494.1)	(7,205.4)
Total CBI stockholders' equity	7,265.5	6,882.0
Noncontrolling interests	266.6	252.8
Total stockholders' equity	7,532.1	7,134.8
Total liabilities and stockholders' equity	\$ 22,262.7	\$ 21,652.3

The accompanying notes are an integral part of these statements.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions, except per share data)
(unaudited)

	For the Three Months Ended May 31,	
	2025	2024
NET INCOME (LOSS) ATTRIBUTABLE TO CBI		
Sales	\$ 2,677.5	\$ 2,860.7
Excise taxes	(162.5)	(198.9)
Net sales	2,515.0	2,661.8
Cost of product sold	(1,248.4)	(1,258.0)
Gross profit	1,266.6	1,403.8
Selling, general, and administrative expenses	(500.7)	(462.2)
Assets held for sale impairment and related expenses	(52.1)	—
Operating income (loss)	713.8	941.6
Income (loss) from unconsolidated investments	(3.5)	82.0
Interest expense, net	(98.9)	(102.8)
Income (loss) before income taxes	611.4	920.8
(Provision for) benefit from income taxes	(87.6)	(28.0)
Net income (loss)	523.8	892.8
Net (income) loss attributable to noncontrolling interests	(7.7)	(15.8)
Net income (loss) attributable to CBI	\$ 516.1	\$ 877.0
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO CBI		
Comprehensive income (loss)	\$ 888.1	\$ 884.1
Comprehensive (income) loss attributable to noncontrolling interests	(21.3)	(16.1)
Comprehensive income (loss) attributable to CBI	\$ 866.8	\$ 868.0
CLASS A STOCK		
Net income (loss) per common share attributable to CBI – basic	\$ 2.90	\$ 4.80
Net income (loss) per common share attributable to CBI – diluted	\$ 2.90	\$ 4.78
Weighted average common shares outstanding – basic	177.801	182.766
Weighted average common shares outstanding – diluted	177.991	183.461
Cash dividends declared per common share	\$ 1.02	\$ 1.01

The accompanying notes are an integral part of these statements.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(in millions)
(unaudited)

	Class A Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Non-controlling Interests	Total
Balance at February 28, 2025	\$ 2.1	\$ 2,144.6	\$ 12,603.4	\$ (662.7)	\$ (7,205.4)	\$ 252.8	\$ 7,134.8
Comprehensive income (loss):							
Net income (loss)	—	—	516.1	—	—	7.7	523.8
Other comprehensive income (loss), net of income tax effect	—	—	—	350.7	—	13.6	364.3
Comprehensive income (loss)							888.1
Repurchase of shares	—	—	—	—	(306.1)	—	(306.1)
Dividends declared	—	—	(180.6)	—	—	—	(180.6)
Noncontrolling interest distributions	—	—	—	—	—	(7.5)	(7.5)
Shares issued under equity compensation plans	—	(24.3)	—	—	17.4	—	(6.9)
Stock-based compensation	—	10.3	—	—	—	—	10.3
Balance at May 31, 2025	<u>\$ 2.1</u>	<u>\$ 2,130.6</u>	<u>\$ 12,938.9</u>	<u>\$ (312.0)</u>	<u>\$ (7,494.1)</u>	<u>\$ 266.6</u>	<u>\$ 7,532.1</u>
Balance at February 29, 2024	\$ 2.1	\$ 2,047.3	\$ 13,417.2	\$ 376.8	\$ (6,100.3)	\$ 321.5	\$ 10,064.6
Comprehensive income (loss):							
Net income (loss)	—	—	877.0	—	—	15.8	892.8
Other comprehensive income (loss), net of income tax effect	—	—	—	(9.0)	—	0.3	(8.7)
Comprehensive income (loss)							884.1
Repurchase of shares	—	—	—	—	(200.0)	—	(200.0)
Dividends declared	—	—	(184.7)	—	—	—	(184.7)
Noncontrolling interest distributions	—	—	—	—	—	(17.5)	(17.5)
Shares issued under equity compensation plans	—	5.7	—	—	2.4	—	8.1
Stock-based compensation	—	17.3	—	—	—	—	17.3
Balance at May 31, 2024	<u>\$ 2.1</u>	<u>\$ 2,070.3</u>	<u>\$ 14,109.5</u>	<u>\$ 367.8</u>	<u>\$ (6,297.9)</u>	<u>\$ 320.1</u>	<u>\$ 10,571.9</u>

The accompanying notes are an integral part of these statements.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)
(unaudited)

For the Three Months
Ended May 31,

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 523.8	\$ 892.8
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Deferred tax provision (benefit)	34.0	25.0
Depreciation	105.2	111.6
Stock-based compensation	10.4	17.3
Noncash lease expense	31.0	29.1
Assets held for sale impairment and related expenses	52.1	—
Net gain in connection with Exchangeable Shares	—	(83.3)
Change in operating assets and liabilities, net of effects from purchase and sale of business:		
Accounts receivable	(73.9)	(63.4)
Inventories	(20.8)	(47.3)
Prepaid expenses and other current assets	(25.8)	(61.4)
Accounts payable	36.7	62.7
Contract liabilities	6.3	15.6
Other accrued expenses and liabilities	(92.3)	(97.7)
Other	50.5	(110.5)
Total adjustments	113.4	(202.3)
Net cash provided by (used in) operating activities	637.2	690.5
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant, and equipment	(192.8)	(375.3)
Investments in equity method investees and securities	(7.0)	(13.0)
Proceeds from sale of assets	—	12.9
Proceeds from sale of business	3.7	—
Other investing activities	—	(2.0)
Net cash provided by (used in) investing activities	(196.1)	(377.4)

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)
(unaudited)

For the Three Months
Ended May 31,

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	499.1	—
Principal payments of long-term debt	(1.0)	(552.2)
Net proceeds from (repayments of) short-term borrowings	(429.2)	551.8
Dividends paid	(182.2)	(185.3)
Purchases of treasury stock	(306.1)	(200.0)
Proceeds from shares issued under equity compensation plans	5.3	24.7
Payments of minimum tax withholdings on stock-based payment awards	(9.4)	(13.8)
Payments of debt issuance, debt extinguishment, and other financing costs	(5.2)	—
Distributions to noncontrolling interests	(7.5)	(17.5)
Payment of contingent consideration	(1.4)	(0.7)
Net cash provided by (used in) financing activities	(437.6)	(393.0)
Effect of exchange rate changes on cash and cash equivalents	2.3	1.3
Net increase (decrease) in cash and cash equivalents	5.8	(78.6)
Cash and cash equivalents, beginning of period	68.1	152.4
Cash and cash equivalents, end of period	\$ 73.9	\$ 73.8

SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES

Additions to property, plant, and equipment	\$ 120.3	\$ 195.2
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The accompanying notes are an integral part of these statements.

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
MAY 31, 2025
(unaudited)

1. BASIS OF PRESENTATION

We have prepared the Financial Statements, without audit, pursuant to the rules and regulations of the SEC applicable to quarterly reporting on Form 10-Q and reflect, in our opinion, all adjustments necessary to present fairly our financial information. All such adjustments are of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements, prepared in accordance with generally accepted accounting principles, have been condensed or omitted as permitted by such rules and regulations. These Financial Statements should be read in conjunction with the consolidated financial statements and related notes included in the 2025 Annual Report. Results of operations for interim periods are not necessarily indicative of annual results.

2. ACQUISITIONS AND DIVESTITURES

ACQUISITION

Sea Smoke

In June 2024, we acquired the Sea Smoke business, including a California-based luxury wine brand, vineyards, and a production facility. This transaction also included the acquisition of goodwill, inventory, and a trademark. The results of operations of Sea Smoke are reported in the Wine and Spirits segment and have been included in our consolidated results of operations from the date of acquisition.

DIVESTITURES

SVEDKA Divestiture

On January 6, 2025, we sold the SVEDKA brand and related assets, primarily including inventory and equipment. The net cash proceeds from the SVEDKA Divestiture were used for general corporate purposes, including funding share repurchases, capital expenditures, and repayment of debt. Prior to the SVEDKA Divestiture, we recorded the results of operations of the SVEDKA brand in the Wine and Spirits segment.

Mexicali Brewery sale

In July 2024, we sold the remaining assets classified as held for sale at the canceled Mexicali Brewery.

Assets held for sale

Certain wine and spirits net assets have met the held for sale criteria largely in connection with the 2025 Wine Divestitures (see below). The carrying values of these assets held for sale consist of the following:

	May 31, 2025	February 28, 2025
(in millions)		
ASSETS		
Inventories	\$ 760.1	\$ 788.7
Prepaid expenses and other	2.7	0.5
Property, plant, and equipment	457.7	474.4
Intangible assets	127.9	127.9
Other assets	71.9	—
Less: Assets held for sale impairment	(406.2)	(478.0)
Assets held for sale	1,014.1	913.5

	May 31, 2025	February 28, 2025
(in millions)		
LIABILITIES		
Other accrued expenses and liabilities	33.6	33.7
Deferred income taxes and other liabilities	82.8	—
Liabilities held for sale ⁽¹⁾	116.4	33.7
Net assets held for sale	<u>\$ 897.7</u>	<u>\$ 879.8</u>

⁽¹⁾ Liabilities held for sale are included in the consolidated balance sheets within the respective liability line items noted above.

SUBSEQUENT EVENT

2025 Wine Divestitures

On June 2, 2025, we sold and, in certain instances, exclusively licensed the trademarks of a portion of our wine and spirits business, primarily centered around our mainstream wine brands and associated inventory, wineries, vineyards, offices, and facilities. We received \$857.6 million of net cash proceeds, subject to certain post-closing adjustments. The net cash proceeds from the 2025 Wine Divestitures were used for repayment of debt (see Note 10). Prior to the completion of the 2025 Wine Divestitures, we recorded the results of operations of the divested and exclusively licensed brands in the Wine and Spirits segment.

3. RESTRUCTURING

The 2025 Restructuring Initiative is an enterprise-wide cost savings and restructuring initiative designed to help optimize the performance of our business, including through enhanced organizational efficiency and optimized expenditures across our organization. The majority of the work associated with the 2025 Restructuring Initiative is expected to be completed within the year ending February 28, 2026, and is estimated to result in \$80 million to \$100 million of cumulative pre-tax costs once all phases are fully implemented. This range is estimated to be comprised of (i) employee termination costs (60%) and (ii) consulting services as well as other costs, which primarily include contract termination costs (40%).

We recognized pre-tax restructuring costs in connection with the 2025 Restructuring Initiative as follows:

	Results of Operations Location	For the Three Months Ended May 31, 2025
(in millions)		
Consulting services	Selling, general, and administrative expenses	\$ 13.3

Since the inception of the 2025 Restructuring Initiative, we have incurred the following pre-tax restructuring costs:

	Cumulative Costs as of May 31, 2025	Percent of Total Costs
(in millions)		
Employee termination	\$ 46.9	74 %
Consulting services	16.1	26 %
	<u>\$ 63.0</u>	<u>100 %</u>

The activity for the restructuring costs discussed above and the related accruals is as follows:

	Employee Termination	Consulting Services	Total
(in millions)			
Balance at February 28, 2025	\$ 46.9	\$ 2.8	\$ 49.7
Restructuring costs	—	13.3	13.3
Cash payments	(3.3)	(10.6)	(13.9)
Balance at May 31, 2025 ⁽¹⁾	<u>\$ 43.6</u>	<u>\$ 5.5</u>	<u>\$ 49.1</u>

⁽¹⁾ The total accrual was recorded in accrued restructuring within other accrued expenses and liabilities in our consolidated balance sheets.

4. INVENTORIES

Inventories are stated at the lower of cost (primarily computed in accordance with the first-in, first-out method) or net realizable value. Elements of cost include materials, labor, and overhead and consist of the following:

	May 31, 2025	February 28, 2025
(in millions)		
Raw materials and supplies	\$ 238.3	\$ 230.2
In-process inventories	504.8	540.9
Finished case goods	668.8	666.1
	<u>\$ 1,411.9</u>	<u>\$ 1,437.2</u>

The inventories balance at May 31, 2025, and February 28, 2025, excludes amounts reclassified to assets held for sale.

5. DERIVATIVE INSTRUMENTS

Overview

Our risk management and derivative accounting policies are presented in Notes 1 and 6 of our consolidated financial statements included in our 2025 Annual Report and have not changed significantly for the three months ended May 31, 2025.

The aggregate notional value of outstanding derivative instruments is as follows:

	May 31, 2025	February 28, 2025
(in millions)		
<u>Derivative instruments designated as hedging instruments</u>		
Foreign currency contracts	\$ 2,879.8	\$ 2,843.6
Pre-issuance hedge contracts	\$ —	\$ 275.0
Net investment hedge contracts	\$ 145.5	\$ —
<u>Derivative instruments not designated as hedging instruments</u>		
Foreign currency contracts	\$ 395.7	\$ 378.2
Commodity derivative contracts	\$ 327.6	\$ 322.1

Net investment hedge contracts

In April 2025, we entered into cross-currency swaps to hedge portions of our net investment in certain of our non-U.S. operations against fluctuations in foreign currency exchange rates. These cross-currency swaps are designated as net investment hedges and mature between April 2028 and April 2029. The changes in the fair value of these swaps are recognized as a component of other comprehensive income (loss) and reported in accumulated other comprehensive income (loss) in our consolidated balance sheets. The gain or loss will be subsequently reclassified into net earnings when the hedged net investment is either sold, liquidated, or substantially liquidated. We assess the effectiveness of our cross-currency swaps using the spot method. Under this method, the periodic interest settlements are recorded directly in earnings through interest expense, net. Accordingly, we recorded interest income of \$0.3 million during the three months ended May 31, 2025.

Credit risk

We are exposed to credit-related losses if the counterparties to our derivative contracts default. This credit risk is limited to the fair value of the derivative contracts. To manage this risk, we contract only with major financial institutions that have earned investment-grade credit ratings and with whom we have standard International Swaps and Derivatives Association agreements which allow for net settlement of the derivative contracts. We have also established counterparty credit guidelines that are regularly monitored. Because of these safeguards, we believe the risk of loss from counterparty default to be immaterial.

In addition, our derivative instruments are not subject to credit rating contingencies or collateral requirements. As of May 31, 2025, the estimated fair value of derivative instruments in a net liability position due to counterparties was \$0.3 million. If we were required to settle the net liability position under these derivative instruments on May 31, 2025, we would have had sufficient available liquidity on hand to satisfy this obligation.

Results of period derivative activity

The estimated fair value and location of our derivative instruments on our balance sheets are as follows (see Note 6):

Assets				Liabilities			
	May 31, 2025	February 28, 2025		May 31, 2025	February 28, 2025		
(in millions)							
<u>Derivative instruments designated as hedging instruments</u>							
Foreign currency contracts:							
Prepaid expenses and other	\$ 90.7	\$ 56.2	Other accrued expenses and liabilities	\$ 14.6	\$ 36.9		
Other assets	\$ 82.5	\$ 39.3	Deferred income taxes and other liabilities	\$ 6.7	\$ 38.6		
Pre-issuance hedge contracts:							
Prepaid expenses and other	\$ —	\$ 2.2	Other accrued expenses and liabilities	\$ —	\$ —		
Net investment hedge contracts:							
Other assets	\$ —	\$ —	Deferred income taxes and other liabilities	\$ 3.0	\$ —		
<u>Derivative instruments not designated as hedging instruments</u>							
Foreign currency contracts:							
Prepaid expenses and other	\$ 1.8	\$ 1.5	Other accrued expenses and liabilities	\$ 1.2	\$ 0.9		

	Assets		Liabilities	
	May 31, 2025	February 28, 2025	May 31, 2025	February 28, 2025
(in millions)				
Commodity derivative contracts:				
Prepaid expenses and other	\$ 2.8	\$ 7.3	Other accrued expenses and liabilities \$ 15.2	\$ 8.8
Other assets	\$ 1.6	\$ 2.3	Deferred income taxes and other liabilities \$ 7.1	\$ 4.0

The principal effect of our derivative instruments designated in cash flow hedging relationships on our results of operations, as well as OCI, net of income tax effect, is as follows:

Derivative Instruments in Designated Cash Flow Hedging Relationships	Net Gain (Loss) Recognized in OCI	Location of Net Gain (Loss) Reclassified from AOCI to Income (Loss)	Net Gain (Loss) Reclassified from AOCI to Income (Loss)
(in millions)			
<u>For the Three Months Ended May 31, 2025</u>			
Foreign currency contracts	\$ 123.6	Sales	\$ 0.3
		Cost of product sold	5.2
		Selling, general, and administrative expenses	0.2
Pre-issuance hedge contracts	(3.4)	Interest expense, net	—
	<u>\$ 120.2</u>		<u>\$ 5.7</u>
<u>For the Three Months Ended May 31, 2024</u>			
Foreign currency contracts	\$ 26.1	Sales	\$ 0.1
		Cost of product sold	39.1
	<u>\$ 26.1</u>		<u>\$ 39.2</u>

We expect \$66.3 million of net gains, net of income tax effect, to be reclassified from AOCI to our results of operations within the next 12 months.

The effect of our undesignated derivative instruments on our results of operations is as follows:

Derivative Instruments Not Designated as Hedging Instruments	Location of Net Gain (Loss) Recognized in Income (Loss)	Net Gain (Loss) Recognized in Income (Loss)
(in millions)		
<u>For the Three Months Ended May 31, 2025</u>		
Commodity derivative contracts	Cost of product sold	\$ (17.7)
Foreign currency contracts	Selling, general, and administrative expenses	5.0
		<u>\$ (12.7)</u>
<u>For the Three Months Ended May 31, 2024</u>		
Commodity derivative contracts	Cost of product sold	\$ 14.6
Foreign currency contracts	Selling, general, and administrative expenses	4.0
		<u>\$ 18.6</u>

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

Authoritative guidance establishes a framework for measuring fair value, including a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy includes three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs include data points that are observable such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) such as volatility, interest rates, and yield curves that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

FAIR VALUE METHODOLOGY

The following methods and assumptions are used to estimate the fair value of our financial instruments:

Derivative instruments

Our derivative instruments consist of foreign currency forward and option contracts, commodity swap contracts, cross-currency swap contracts, interest rate swap contracts, and Pre-issuance hedge contracts. The fair value is estimated based on quoted market prices from respective counterparties. Quotes are corroborated by using discounted cash flow calculations based upon forward interest-rate yield curves, which are obtained from independent pricing services (Level 2 fair value measurement).

Short-term borrowings

Our short-term borrowings consist of our commercial paper program and the revolving credit facility under our senior credit facility. The revolving credit facility is a variable interest rate bearing note with a fixed margin, adjustable based upon our debt rating (as defined in our senior credit facility). For these short-term borrowings, the carrying value approximates the fair value.

Long-term debt

The fair value of our fixed interest rate long-term debt is estimated by discounting cash flows using interest rates currently available for debt with similar terms and maturities (Level 2 fair value measurement). As of May 31, 2025, the carrying amount of long-term debt, including the current portion, was \$11,189.5 million, compared with an estimated fair value of \$10,440.2 million. As of February 28, 2025, the carrying amount of long-term debt, including the current portion, was \$10,691.0 million, compared with an estimated fair value of \$9,999.0 million.

The carrying amounts of certain of our financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable, approximate fair value as of May 31, 2025, and February 28, 2025, due to the relatively short maturity of these instruments.

Recurring basis measurements

The following table presents our financial assets and liabilities measured at estimated fair value on a recurring basis:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
(in millions)				
<u>May 31, 2025</u>				
Assets:				
Foreign currency contracts	\$ —	\$ 175.0	\$ —	\$ 175.0
Commodity derivative contracts	\$ —	\$ 4.4	\$ —	\$ 4.4
Liabilities:				
Foreign currency contracts	\$ —	\$ 22.5	\$ —	\$ 22.5
Commodity derivative contracts	\$ —	\$ 22.3	\$ —	\$ 22.3
Net investment hedge contracts	\$ —	\$ 3.0	\$ —	\$ 3.0
<u>February 28, 2025</u>				
Assets:				
Foreign currency contracts	\$ —	\$ 97.0	\$ —	\$ 97.0
Commodity derivative contracts	\$ —	\$ 9.6	\$ —	\$ 9.6
Pre-issuance hedge contracts	\$ —	\$ 2.2	\$ —	\$ 2.2
Liabilities:				
Foreign currency contracts	\$ —	\$ 76.4	\$ —	\$ 76.4
Commodity derivative contracts	\$ —	\$ 12.8	\$ —	\$ 12.8

Nonrecurring basis measurements

The following table presents our assets and liabilities measured at estimated fair value on a nonrecurring basis for which an impairment assessment was performed for the period presented:

	Fair Value Measurements Using			Total Losses
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
(in millions)				
<u>For the Three Months Ended May 31, 2025</u>				
Assets held for sale and related net assets	\$ —	\$ 897.7	\$ —	\$ 52.1

Assets held for sale and related net assets

For the three months ended May 31, 2025, largely in connection with the 2025 Wine Divestitures, assets held for sale and related net assets were adjusted to their current estimated fair value of \$897.7 million, less costs to sell, resulting in a \$52.1 million net loss. This net loss was included in assets held for sale impairment and related expenses within our consolidated results for the three months ended May 31, 2025. Our estimated fair value of the assets held for sale was largely based on the expected proceeds from the 2025 Wine Divestitures as of May 31, 2025.

7. GOODWILL

The changes in the carrying amount of goodwill are as follows:

	Beer	Wine and Spirits	Consolidated
(in millions)			
Balance at February 29, 2024	\$ 5,238.2	\$ 2,742.1	\$ 7,980.3
Purchase accounting allocations ⁽¹⁾	—	71.2	71.2
Foreign currency translation adjustments	(111.4)	0.6	(110.8)
Goodwill impairment ⁽²⁾	—	(2,740.7)	(2,740.7)
SVEDKA Divestiture ⁽³⁾	—	(73.2)	(73.2)
Balance at February 28, 2025	5,126.8	—	5,126.8
Foreign currency translation adjustments	30.0	—	30.0
Balance at May 31, 2025	<u>\$ 5,156.8</u>	<u>\$ —</u>	<u>\$ 5,156.8</u>

⁽¹⁾ Purchase accounting allocations associated with the Sea Smoke acquisition.

⁽²⁾ In connection with continued negative trends within our Wine and Spirits business primarily attributable to our U.S. wholesale market, driven by declines in both the overall wine market and in our mainstream and premium wine brands, management updated its Fiscal 2025 outlook and financial projections for this reporting unit. Based on the aforementioned factors, we performed quantitative assessments that led to goodwill impairments which resulted in the carrying value being written down to zero.

⁽³⁾ Amount was based on the relative fair value of the portion of the business sold and the remaining wine and spirits portfolio. The relative fair values were determined using the transaction price and the income approach based on assumptions, including projected revenue growth, terminal growth, and discount rates and other projected financial information.

8. INTANGIBLE ASSETS

The major components of intangible assets are as follows:

	May 31, 2025		February 28, 2025	
	Gross Carrying Amount	Net Carrying Amount	Gross Carrying Amount	Net Carrying Amount
(in millions)				
<u>Amortizable intangible assets</u>				
Customer relationships	\$ 85.3	\$ 14.5	\$ 85.3	\$ 14.9
Other	20.8	0.3	20.7	0.3
Total	<u>\$ 106.1</u>	<u>14.8</u>	<u>\$ 106.0</u>	<u>15.2</u>
<u>Nonamortizable intangible assets</u>				
Trademarks ^{(1) (2)}		2,518.7		2,517.1
Total intangible assets		<u>\$ 2,533.5</u>		<u>\$ 2,532.3</u>

⁽¹⁾ The balance at May 31, 2025, and February 28, 2025, was impacted by assets reclassified to held for sale.

⁽²⁾ The balance at February 28, 2025, was impacted by a wine asset impairment.

We did not incur costs to renew or extend the term of acquired intangible assets for the three months ended May 31, 2025, and May 31, 2024. Net carrying amount represents the gross carrying value net of accumulated amortization.

9. OTHER ASSETS

The major components of other assets are as follows:

	May 31, 2025	February 28, 2025
(in millions)		
Operating lease right-of-use asset	\$ 569.8	\$ 545.7
Income taxes receivable	142.1	135.5
Equity method investments	121.6	124.5
Derivative assets	84.1	41.6
Other investments in debt and equity securities	67.7	60.3
Exchangeable Shares	21.2	21.2
Other	149.6	132.9
	<u>\$ 1,156.1</u>	<u>\$ 1,061.7</u>

The other assets balance at May 31, 2025, excludes an amount reclassified to assets held for sale.

Equity method investments

We acquired several investments which are being accounted for under the equity method, largely in connection with prior Wine and Spirits segment acquisitions. The primary investment consists of Opus One Winery, a 50% owned joint venture arrangement.

Other investments in debt and equity securities

We have multiple investments through our corporate venture capital function in debt and equity securities. As of February 28, 2025, we evaluated certain investments, primarily driven by business underperformance and solvency concerns, and concluded they should be written down to zero.

Exchangeable Shares

Following the April 2024 conversion of our Canopy common shares and exchange a portion of the principal amount of a promissory note issued to us by Canopy, we (i) have 26.3 million Exchangeable Shares and (ii) recognized an \$83.3 million net gain in income (loss) from unconsolidated investments within our consolidated results for the three months ended May 31, 2024. The fair value of Exchangeable Shares on the date of the conversion and exchange was estimated using a valuation model based primarily on the following inputs: (i) Canopy's common share price, (ii) the expected volatility of Canopy's common shares, and (iii) the probability and timing of U.S. federal legalization of recreational cannabis. As the Exchangeable Shares are an equity security without a readily determinable fair value, we elected to account for the Exchangeable Shares under the measurement alternative method. As of February 28, 2025, we evaluated the Exchangeable Shares for impairment primarily due to the continued decline in Canopy's common share price. We concluded that an impairment did exist, and accordingly, the Exchangeable Shares were written down to their estimated fair value of \$21.2 million. The estimated fair value was determined using the same valuation model as of the date of conversion and exchange as noted above. Future impairments, if any, will also be reported in income (loss) from unconsolidated investments within our consolidated results.

10. BORROWINGS

Borrowings consist of the following:

	May 31, 2025			February 28, 2025
	Current	Long-term	Total	Total
(in millions)				
<u>Short-term borrowings</u>				
Commercial paper	\$ 377.5			\$ 806.7
	<u>\$ 377.5</u>			<u>\$ 806.7</u>
<u>Long-term debt</u>				
Senior notes	\$ 1,398.6	\$ 9,782.8	\$ 11,181.4	\$ 10,682.3
Other	4.4	3.7	8.1	8.7
	<u>\$ 1,403.0</u>	<u>\$ 9,786.5</u>	<u>\$ 11,189.5</u>	<u>\$ 10,691.0</u>

BANK FACILITIES

2025 Credit Agreement

In April 2025, the Company, CB International, the Administrative Agent, and certain other lenders entered into the 2025 Restatement Agreement that amended and restated our then-existing credit facility (as amended and restated by the 2025 Restatement Agreement, the 2025 Credit Agreement). The principal changes effected by the 2025 Restatement Agreement were (i) refinancing the existing \$2.25 billion revolving credit facility, (ii) extending its maturity to April 28, 2030, and (iii) refining certain negative covenants.

2025 Term Credit Agreement

In May 2025, the Company, the Administrative Agent, and certain other lenders entered into the 2025 Term Credit Agreement. The 2025 Term Credit Agreement provides for a six-month delayed draw \$500.0 million term loan facility, available in up to two draws. The balance is due and payable two years after the initial funding date, if any, occurs. The proceeds, if drawn, from the 2025 Term Credit Agreement are intended to be used for general corporate purposes, including the repayment of debt.

Information with respect to borrowings under our bank facilities is as follows:

	Outstanding borrowings	Interest rate	SOFR margin	Outstanding letters of credit	Remaining borrowing capacity
(in millions)					
<u>May 31, 2025</u>					
Revolving credit facility ^{(1) (2) (3)}	\$ —	— %	— %	\$ 11.3	\$ 1,861.1
<u>February 28, 2025</u>					
Revolving credit facility ^{(2) (3) (4)}	\$ —	— %	— %	\$ 11.3	\$ 1,430.7

⁽¹⁾ Net of outstanding revolving credit facility borrowings and outstanding letters of credit under the 2025 Credit Agreement, and outstanding borrowings under our commercial paper program of \$377.6 million (excluding unamortized discount) (see "Commercial paper program" below).

⁽²⁾ Contractual interest rate varies based on our debt rating (as defined in the agreement) and is a function of SOFR plus a margin and a credit spread adjustment, or the base rate plus a margin, or, in certain circumstances where SOFR cannot be adequately ascertained or available, an alternative benchmark rate plus a margin.

- (3) We and/or CB International are the borrower under the \$2,250.0 million revolving credit facility. Includes a sub-facility for letters of credit of up to \$200.0 million.
- (4) Net of outstanding revolving credit facility borrowings and outstanding letters of credit under our then-existing senior credit facility, and outstanding borrowings under our commercial paper program of \$808.0 million (excluding unamortized discount) (see "Commercial paper program" below).

We and our subsidiaries are subject to covenants that are contained in the 2025 Credit Agreement and the 2025 Term Credit Agreement, including those restricting the incurrence of additional subsidiary indebtedness, additional liens, mergers and consolidations, transactions with affiliates, and sale and leaseback transactions, in each case subject to numerous conditions, exceptions, and thresholds. The financial covenants are limited to a minimum interest coverage ratio and a maximum net leverage ratio.

Commercial paper program

We have a commercial paper program which provides for the issuance of up to an aggregate principal amount of \$2.25 billion of commercial paper. Our commercial paper program is backed by unused commitments under our revolving credit facility under our 2025 Credit Agreement. Accordingly, outstanding borrowings under our commercial paper program reduce the amount available under our revolving credit facility. Information with respect to our outstanding commercial paper borrowings is as follows:

	May 31, 2025	February 28, 2025
(in millions)		
Outstanding borrowings ⁽¹⁾	\$ 377.5	\$ 806.7
Weighted average annual interest rate	4.6 %	4.7 %
Weighted average remaining term	3 days	13 days

- ⁽¹⁾ Outstanding commercial paper borrowings are net of unamortized discount.

Senior notes

In May 2025, we issued \$500.0 million aggregate principal amount of 4.80% senior notes due May 2030. Proceeds from this offering, net of discount and debt issuance costs, were \$496.0 million. Interest on the 4.80% May 2025 Senior Notes is payable semiannually on May 1 and November 1 of each year, beginning November 1, 2025. The 4.80% May 2025 Senior Notes are redeemable, in whole or in part, at our option at any time prior to April 1, 2030, at a redemption price equal to 100% of the outstanding principal amount, plus accrued and unpaid interest and a make-whole payment based on the present value of the future payments at the adjusted treasury rate, as defined in the applicable indenture, plus 20 basis points. On or after April 1, 2030, we may redeem the 4.80% May 2025 Senior Notes, in whole or in part, at our option at any time at a redemption price equal to 100% of the outstanding principal amount, plus accrued and unpaid interest. The 4.80% May 2025 Senior Notes are senior unsecured obligations which rank equally in right of payment to all of our existing and future senior unsecured indebtedness.

Debt payments

As of May 31, 2025, the required principal repayments under long-term debt obligations (excluding unamortized debt issuance costs and unamortized discounts of \$47.8 million and \$20.8 million, respectively) for the remaining nine months of Fiscal 2026 and for each of the five succeeding fiscal years and thereafter are as follows:

(in millions)		
Fiscal 2026	\$	1,403.3
Fiscal 2027		603.3
Fiscal 2028		1,801.3
Fiscal 2029		900.1
Fiscal 2030		800.0
Fiscal 2031		1,100.0
Thereafter		4,650.1
	\$	<u>11,258.1</u>

SUBSEQUENT EVENT

Senior notes

On July 2, 2025, we repaid in full \$400.0 million aggregate principal amount of 4.75% December 2015 Senior Notes, using proceeds from the 2025 Wine Divestitures and cash on hand. On June 12, 2025, we repaid in full \$500.0 million aggregate principal amount of 5.00% February 2023 Senior Notes, using proceeds from the 2025 Wine Divestitures. Each of these notes were redeemed prior to maturity at a redemption price equal to 100% of the outstanding principal amount plus accrued and unpaid interest.

11. INCOME TAXES

Our effective tax rate for the three months ended May 31, 2025, and May 31, 2024, was 14.3% and 3.0%, respectively.

For the three months ended May 31, 2025, our effective tax rate was lower than the federal statutory rate of 21% largely due to (i) the benefit of lower effective tax rates applicable to our foreign businesses and (ii) a net income tax benefit recognized as a result of the resolution of various tax examinations and assessments related to prior periods.

For the three months ended May 31, 2024, our effective tax rate was lower than the federal statutory rate of 21% primarily due to (i) a net income tax benefit recognized as a result of the resolution of various tax examinations and assessments related to prior periods, (ii) the benefit of lower effective tax rates applicable to our foreign businesses, and (iii) a decrease in the valuation allowance related to our investment in Canopy.

The OECD introduced a framework under Pillar Two which includes a 15% global minimum tax rate. Many jurisdictions in which we do business have started to enact laws implementing Pillar Two. We are monitoring these developments and currently do not believe these rules will have a material impact on our financial condition and/or consolidated results.

12. STOCKHOLDERS' EQUITY

Common stock

The number of shares of common stock issued and treasury stock, and associated share activity, are as follows:

	Class A Stock	Class 1 Stock	Class A Stock in Treasury
Balance at February 28, 2025	212,698,298	27,037	34,505,141
Share repurchases	—	—	1,634,718
Exercise of stock options	—	130	(38,775)
Vesting of restricted stock units ⁽¹⁾	—	—	(98,959)
Balance at May 31, 2025	<u>212,698,298</u>	<u>27,167</u>	<u>36,002,125</u>
Balance at February 29, 2024	212,698,298	23,661	29,809,881
Share repurchases	—	—	775,334
Exercise of stock options	—	1,880	(149,324)
Vesting of restricted stock units ⁽¹⁾	—	—	(85,650)
Vesting of performance share units ⁽¹⁾	—	—	(8,757)
Balance at May 31, 2024	<u>212,698,298</u>	<u>25,541</u>	<u>30,341,484</u>

⁽¹⁾ Net of the following shares withheld to satisfy tax withholding requirements:

	For the Three Months Ended May 31,
<u>2025</u>	
Restricted Stock Units	50,720
<u>2024</u>	
Restricted Stock Units	48,501
Performance Share Units	5,728

Stock repurchases

In April 2025, our Board of Directors authorized the repurchase of up to \$4.0 billion of our publicly traded common stock under the 2025 Authorization, which expires in February 2028. Shares repurchased under this authorization become treasury shares. For the three months ended May 31, 2025, we repurchased 1,634,718 shares of Class A Stock pursuant to the 2025 Authorization through open market transactions at an aggregate cost of \$306.1 million. Subsequent to May 31, 2025, we repurchased 431,578 shares of Class A Stock pursuant to the 2025 Authorization at an aggregate cost of \$75.0 million through open market transactions made pursuant to a Rule 10b5-1 trading plan. As of July 2, 2025, total shares repurchased under our board authorization is as follows:

	Repurchase Authorization	Class A Stock	
		Dollar Value of Shares Repurchased	Number of Shares Repurchased
(in millions, except share data)			
2025 Authorization ⁽¹⁾	\$ 4,000.0	\$ 381.1	2,066,296

⁽¹⁾ As of July 2, 2025, \$3,618.9 million remains available for future share repurchases, excluding the impact of Federal excise tax owed pursuant to the IRA.

13. NET INCOME (LOSS) PER COMMON SHARE ATTRIBUTABLE TO CBI

Net income (loss) per common share attributable to CBI (hereafter referred to as “net income (loss) per common share”) – basic for Class A Stock has been computed based on the weighted average shares of common stock outstanding during the period. Net income (loss) per common share – diluted for Class A Stock reflects the weighted average shares of common stock plus the effect of dilutive securities outstanding during the period using the treasury stock method. The effect of dilutive securities includes the impact of outstanding stock-based awards. The dilutive computation does not assume conversion, exercise, or contingent issuance of securities that would have an anti-dilutive effect on the net income (loss) per common share. The computation of basic and diluted net income (loss) per common share for Class A Stock are as follows:

	For the Three Months Ended May 31,	
	2025	2024
(in millions, except per share data)		
Net income (loss) attributable to CBI	\$ 516.1	\$ 877.0
Weighted average common shares outstanding – basic	177.801	182.766
Stock-based awards, primarily stock options	0.190	0.695
Weighted average common shares outstanding – diluted	177.991	183.461
Net income (loss) per common share attributable to CBI – basic	\$ 2.90	\$ 4.80
Net income (loss) per common share attributable to CBI – diluted	\$ 2.90	\$ 4.78

14. COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO CBI

Comprehensive income (loss) consists of net income (loss), foreign currency translation adjustments, unrealized net gain (loss) on derivative instruments, including cash flow and net investment hedges, pension/postretirement adjustments, and our share of OCI of equity method investments. The reconciliation of net income (loss) attributable to CBI to comprehensive income (loss) attributable to CBI is as follows:

	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
(in millions)			
<u>For the Three Months Ended May 31, 2025</u>			
Net income (loss) attributable to CBI			\$ 516.1
Other comprehensive income (loss) attributable to CBI:			
Foreign currency translation adjustments:			
Net gain (loss)	\$ 243.5	\$ —	243.5
Amounts reclassified	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	243.5	—	243.5
Unrealized gain (loss) on cash flow hedges:			
Net cash flow hedge gain (loss)	130.6	(16.1)	114.5
Amounts reclassified	(5.7)	0.5	(5.2)
Net gain (loss) recognized in other comprehensive income (loss)	124.9	(15.6)	109.3
Unrealized gain (loss) on net investment hedges:			
Net investment hedge gain (loss)	(3.0)	0.7	(2.3)
Reclassification adjustments	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	(3.0)	0.7	(2.3)

	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
(in millions)			
Share of OCI of equity method investments:			
Net gain (loss)	—	—	—
Amounts reclassified	0.3	(0.1)	0.2
Net gain (loss) recognized in other comprehensive income (loss)	0.3	(0.1)	0.2
Other comprehensive income (loss) attributable to CBI	\$ 365.7	\$ (15.0)	350.7
Comprehensive income (loss) attributable to CBI			\$ 866.8
<u>For the Three Months Ended May 31, 2024</u>			
Net income (loss) attributable to CBI			\$ 877.0
Other comprehensive income (loss) attributable to CBI:			
Foreign currency translation adjustments:			
Net gain (loss)	\$ 13.5	\$ —	13.5
Amounts reclassified	—	—	—
Net gain (loss) recognized in other comprehensive income (loss)	13.5	—	13.5
Unrealized gain (loss) on cash flow hedges:			
Net cash flow hedge gain (loss)	28.2	(3.3)	24.9
Amounts reclassified	(42.1)	5.0	(37.1)
Net gain (loss) recognized in other comprehensive income (loss)	(13.9)	1.7	(12.2)
Share of OCI of equity method investments:			
Net gain (loss)	—	—	—
Amounts reclassified	(10.3)	—	(10.3)
Net gain (loss) recognized in other comprehensive income (loss)	(10.3)	—	(10.3)
Other comprehensive income (loss) attributable to CBI	\$ (10.7)	\$ 1.7	(9.0)
Comprehensive income (loss) attributable to CBI			\$ 868.0

Accumulated other comprehensive income (loss), net of income tax effect, includes the following components:

	Foreign Currency Translation Adjustments	Unrealized Net Gain (Loss) on Derivative Instruments	Pension/ Postretirement Adjustments	Share of OCI of Equity Method Investments	Accumulated Other Comprehensive Income (Loss)
(in millions)					
Balance at February 28, 2025	\$ (683.8)	\$ 21.8	\$ (0.4)	\$ (0.3)	\$ (662.7)
Other comprehensive income (loss):					
Other comprehensive income (loss) before reclassification adjustments	243.5	112.2	—	—	355.7
Amounts reclassified from accumulated other comprehensive income (loss)	—	(5.2)	—	0.2	(5.0)
Other comprehensive income (loss)	243.5	107.0	—	0.2	350.7
Balance at May 31, 2025	\$ (440.3)	\$ 128.8	\$ (0.4)	\$ (0.1)	\$ (312.0)

15. BUSINESS SEGMENT INFORMATION

Our internal management financial reporting consists of two business divisions: (i) Beer and (ii) Wine and Spirits and we report our operating results in three segments: (i) Beer, (ii) Wine and Spirits, and (iii) Corporate Operations and Other. In the Beer segment, our portfolio consists of high-end imported beer brands and ABAs. We have an exclusive perpetual brand license to produce our Mexican beer portfolio and to import, market, and sell such portfolio in the U.S. In the Wine and Spirits segment, we sell a portfolio comprised of exclusively higher-end wine and spirits brands. Amounts included in the Corporate Operations and Other segment consist of costs of corporate communications, corporate development, corporate finance, corporate strategy and growth, executive management, human resources, internal audit, investor relations, IT, legal, and public affairs, as well as our investments such as those made through our corporate venture capital function. All costs included in the Corporate Operations and Other segment are general costs that are applicable to the consolidated group and are, therefore, not allocated to the other reportable segments. All costs reported within the Corporate Operations and Other segment are not included in our CODM's evaluation of the operating income (loss) performance of the other reportable segments. Our CODM is our President and Chief Executive Officer. The business segments reflect how our operations are managed, how resources are allocated, how operating performance is evaluated by senior management, and the structure of our internal financial reporting. Long-lived tangible assets and total asset information by segment is not provided to, or reviewed by, our CODM as it is not used to make strategic decisions, allocate resources, or assess performance. Our CODM utilizes segment comparable operating income (loss) performance in deciding how to deploy capital in line with disciplined and balanced priorities. These priorities largely include investing in our people and our brands, making capital investments and strategic acquisitions, providing a cash dividend program, and from time-to-time, repurchasing shares of our common stock. Our CODM also monitors budgeted versus actual results in assessing segment operating performance and understanding underlying business trends.

Management excludes Comparable Adjustments from its evaluation of the results of each operating segment as these Comparable Adjustments are not reflective of core operations of the segments. Segment operating performance and the incentive compensation of segment management are evaluated based on core segment operating income (loss) which does not include the impact of these Comparable Adjustments, collectively referred to as comparable operating income (loss). We evaluate segment operating performance based on comparable operating income (loss) of the respective business units.

The accounting policies of the segments are the same as those described for the Company in Note 1 of our consolidated financial statements included in our 2025 Annual Report. Segment information is as follows:

	Beer	Wine and Spirits	Corporate Operations and Other	Consolidated
(in millions)				
<u>For the Three Months Ended May 31, 2025</u>				
Net sales	\$ 2,234.5	\$ 280.5	\$ —	\$ 2,515.0
Cost of product sold ⁽¹⁾	(1,047.5)	(184.4)	—	
Marketing	(200.5)	(34.9)	—	
% Net sales	9.0 %	12.4 %		
General and administrative expenses ⁽¹⁾	(113.1)	(67.2)	(57.5)	
Comparable operating income (loss) ⁽¹⁾	873.4	(6.0)	(57.5)	809.9
Operating margin	39.1 %	(2.1)%		
Comparable adjustments ⁽²⁾				(96.1)
Operating income (loss)				713.8
Income (loss) from unconsolidated investments ⁽³⁾				(3.5)
Interest expense, net ⁽⁴⁾				(98.9)
Income (loss) before income taxes				\$ 611.4

	Beer		Wine and Spirits		Corporate Operations and Other		Consolidated
(in millions)							
Capital expenditures	\$	173.2	\$	18.0	\$	1.6	\$ 192.8
Depreciation and amortization	\$	76.8	\$	22.2	\$	6.5	\$ 105.5
% Net sales		3.4 %		7.9 %			
<u>For the Three Months Ended May 31, 2024</u>							
Net sales	\$	2,272.8	\$	389.0	\$	—	\$ 2,661.8
Cost of product sold ⁽¹⁾		(1,059.7)		(220.3)		—	
Marketing		(190.3)		(40.9)		—	
% Net sales		8.4 %		10.5 %			
General and administrative expenses ⁽¹⁾		(99.8)		(68.1)		(58.7)	
Comparable operating income (loss) ⁽¹⁾		923.0		59.7		(58.7)	924.0
Operating margin		40.6 %		15.3 %			
Comparable adjustments ⁽²⁾							17.6
Operating income (loss)							941.6
Income (loss) from unconsolidated investments ⁽³⁾							82.0
Interest expense, net ⁽⁴⁾							(102.8)
Income (loss) before income taxes							\$ 920.8
Capital expenditures	\$	314.4	\$	49.6	\$	11.3	\$ 375.3
Depreciation and amortization	\$	86.4	\$	21.3	\$	4.2	\$ 111.9
% Net sales		3.8 %		5.5 %			

⁽¹⁾ Amounts are determined and presented on a non-GAAP basis and are intended to reflect our core operations.

⁽²⁾ Comparable Adjustments that impacted comparability in our segment operating income (loss) for each period are as follows:

	For the Three Months Ended May 31,	
	2025	2024
(in millions)		
<u>Cost of product sold</u>		
Net gain (loss) on undesignated commodity derivative contracts	\$ (17.7)	\$ 14.6
Flow through of inventory step-up	(0.9)	(1.1)
Strategic business development costs	(0.4)	—
Settlements of undesignated commodity derivative contracts	2.5	8.5
Comparable Adjustments, Cost of product sold	(16.5)	22.0
<u>Selling, general, and administrative expenses</u>		
2025 Restructuring Initiative	(13.3)	—
Transition services agreements activity	(5.5)	(2.8)
Strategic business reconfiguration costs	(5.2)	(1.8)
Transaction, integration, and other acquisition-related costs	(2.1)	(0.2)
Other gains (losses) ⁽ⁱ⁾	(1.4)	0.4
Comparable Adjustments, selling, general, and administrative expenses	(27.5)	(4.4)
Assets held for sale impairment and related expenses	(52.1)	—
Comparable Adjustments, Operating income (loss)	\$ (96.1)	\$ 17.6

- (i) Primarily includes the following:

	For the Three Months Ended May 31,	
	2025	2024
(in millions)		
Gain (loss) on sale of business	\$ (1.4)	\$ —

- (3) Income (loss) from unconsolidated investments consists of:

	For the Three Months Ended May 31,	
	2025	2024
(in millions)		
Equity in earnings (losses) from equity method investees and related activities	\$ (3.5)	\$ (1.3)
Net gain in connection with Exchangeable Shares	—	83.3
	<u>\$ (3.5)</u>	<u>\$ 82.0</u>

- (4) Interest expense, net consists of:

	For the Three Months Ended May 31,	
	2025	2024
(in millions)		
Interest expense	\$ (100.6)	\$ (104.8)
Interest income	1.7	2.0
	<u>\$ (98.9)</u>	<u>\$ (102.8)</u>

16. ACCOUNTING GUIDANCE NOT YET ADOPTED

Income taxes

In December 2023, the FASB issued a standard to enhance the transparency and decision usefulness of income tax disclosures. This standard requires public companies to disclose (i) specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold, (ii) the amount of income taxes paid disaggregated by federal, state, and foreign taxes and disaggregated by material individual jurisdictions, and (iii) income from continuing operations before income tax expense disaggregated between domestic and foreign and income tax expense from continuing operations disaggregated by federal, state, and foreign. We are required to adopt these disclosures for our annual period ending February 28, 2026, with early adoption permitted and this standard may be applied retrospectively. We expect this standard to impact our disclosures with no material impacts to our results of operations, cash flows, or financial condition.

Disaggregation of income statement expenses

In November 2024, the FASB issued a standard requiring disaggregated information about certain income statement expense line items to be disclosed on an annual and interim basis. We are required to adopt these disclosures for our annual period ending February 29, 2028, with early adoption permitted and this standard may be applied retrospectively. We expect this standard to impact our disclosures with no material impacts to our results of operations, cash flows, or financial condition.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.



INTRODUCTION

This MD&A provides additional information on our businesses, current developments, financial condition, cash flows, and results of operations. It should be read in conjunction with our Financial Statements and with our consolidated financial statements and notes included in our 2025 Annual Report. This MD&A is organized as follows:

Overview

This section provides a general description of our business, which we believe is important in understanding the results of our operations, financial condition, and potential future trends.

Strategy

This section provides a description of our strategy, including our 2025 Restructuring Initiative, a discussion of a recent development, as well as significant divestitures, acquisitions, and investments.

Results of operations

This section provides an analysis of our results of operations presented on a business segment basis for the three months ended May 31, 2025, and May 31, 2024. In addition, a brief description of significant transactions and other items that affect the comparability of the results is provided.

Liquidity and capital resources

This section provides an analysis of our cash flows, outstanding debt, and liquidity position. Included in the analysis of outstanding debt is a discussion of the financial capacity available to fund our on-going operations and future commitments, as well as a discussion of other financing arrangements.

OVERVIEW

We are an international producer and marketer of beer, wine, and spirits with operations in the U.S., Mexico, New Zealand, and Italy with powerful, consumer-connected, high-quality brands like Modelo Especial, Corona Extra, Pacifico, Robert Mondavi Winery, Kim Crawford, The Prisoner Wine Company, High West, Casa Noble, and Mi CAMPO. In the U.S., we are one of the top growth contributors at retail among beverage alcohol suppliers. We are also the second-largest beer company and have the #1 beer brand, Modelo Especial, in dollar sales in the U.S. We continued to strengthen our leadership position in the U.S. beer market as the #1 share gainer in the high-end beer segment and the overall U.S. beer market. Within wine and spirits, we have implemented a multi-year strategy that repositioned this

business to a portfolio of exclusively higher-end brands that we believe will generate higher growth and higher margins, aligned to our focus on consumer-led premiumization trends, and we continue to progressively expand our supply channels through DTC and international markets. The strength of our brands makes us a supplier of choice to many of our consumers and our customers, which include wholesale distributors, retailers, and on-premise locations. We conduct our business through entities we wholly own as well as through a variety of joint ventures and other entities.

Our internal management financial reporting consists of two business divisions: (i) Beer and (ii) Wine and Spirits and we report our operating results in three segments: (i) Beer, (ii) Wine and Spirits, and (iii) Corporate Operations and Other. In the Beer segment, our portfolio consists of high-end imported beer brands and ABAs. We have an exclusive perpetual brand license to produce our Mexican beer portfolio and to import, market, and sell such portfolio in the U.S. In the Wine and Spirits segment, we sell a portfolio comprised of exclusively higher-end wine and spirits brands. Amounts included in the Corporate Operations and Other segment consist of costs of corporate communications, corporate development, corporate finance, corporate strategy and growth, executive management, human resources, internal audit, investor relations, IT, legal, and public affairs, as well as our investments such as those made through our corporate venture capital function. All costs included in the Corporate Operations and Other segment are general costs that are applicable to the consolidated group and are, therefore, not allocated to the other reportable segments. All costs reported within the Corporate Operations and Other segment are not included in our CODM's evaluation of the operating income (loss) performance of the other reportable segments. The business segments reflect how our operations are managed, how resources are allocated, how operating performance is evaluated by senior management, and the structure of our internal financial reporting.

STRATEGY

Our overall strategic vision is to consistently deliver industry-leading total stockholder returns over the long-term through a focus on these key pillars:

- continue building strong brands people love with advantaged routes to market;
- build a culture that is consumer-obsessed and leverages robust innovation capabilities to stay on the forefront of consumer trends;
- deploy capital in line with disciplined and balanced priorities;
- deliver on impactful environmental, social, and governance initiatives that we believe are not only good business, but also good for the world; and
- empower the whole enterprise to achieve best-in-class operational efficiency.

We will continue to strive for success by ensuring consumer-led decision making drives all aspects of our business; building a strong talent pipeline with best-in-class people development; investing in infrastructure that supports and enables our business, including data systems and architecture; and exemplifying intentional and proactive fiscal management. We place focus on positioning our portfolio on higher-margin, higher-growth categories of the beverage alcohol industry to align with our strategy to address consumer-led premiumization, product, and purchasing trends, which we anticipate will continue to drive faster relative growth rates across beer, wine, and spirits. To continue capitalizing on consumer-led premiumization trends, become more competitive, and grow our business, we have employed a strategy dedicated to organic growth and supplemented by targeted investments and acquisitions. We intend for our multi-year Digital Business Acceleration initiative to enable us to drive results by enhancing our technology capabilities in key areas. In Fiscal 2026, we continue to focus on end-to-end digital supply chain planning, logistics, procurement, and revenue growth management, as well as introducing a new focus area, consumer insights and analytics. Additionally, we believe our continued focus on maintaining a strong balance sheet provides a solid financial foundation to support our broader strategic initiatives.

Our business strategy for the Beer segment focuses on upholding our leadership position in the U.S. beer market, including the high-end segment, and continuing to grow our high-end imported beer brands through maintenance of leading margins, enhancements to our results of operations and operating cash flow, and exploring new avenues for growth. In Fiscal 2026, we intend to increase distribution for key brands, optimize growth through differentiated brand positioning, price pack architecture, and market prioritization as well as continue to invest in the next phase of modular capacity additions necessary to support our ongoing growth. Expansion, optimization, and/or construction activities continue under our Mexico Beer Projects to align with our anticipated future growth expectations. Additionally, we continue to focus on consumer-led innovation by creating new line extensions behind celebrated, trusted brands and package formats, as well as new to world brands, that are intended to meet emerging needs.

Our business strategy for the Wine and Spirits segment continues to focus on delivering growth and improving margins beyond Fiscal 2026 by driving our higher-end brands and operating efficiencies. We have repositioned this business to a portfolio of exclusively higher-end wine and spirits brands that we believe will generate higher growth and higher margins. We remain a key supplier in U.S. 3-tier brick-and-mortar distribution. In addition, we are advancing our aim to become a global, omni-channel competitor in line with evolving consumer preferences as we continue our efforts to progressively expand into international markets, DTC channels (including hospitality), and 3-tier eCommerce.

Marketing, sales, and distribution of our products are primarily managed on a geographic basis allowing us to leverage leading market positions. In addition, market dynamics and consumer trends vary across each of our markets. Within our primary market in the U.S., we offer a range of beverage alcohol products across the imported beer, ABA, and branded wine and spirits categories, with generally separate distribution networks utilized for (i) our beer portfolio and (ii) our wine and spirits portfolio. The environment for our products is competitive in each of our markets.

We remain committed to our long-term financial model of: growing sales, expanding margins, and increasing cash flow in order to continue to achieve comparable earnings per share growth as well as our target ratios for (i) comparable net leverage and (ii) dividend payout; investing to support the growth of our business; and delivering additional returns to stockholders through periodic share repurchases. Our results of operations and financial condition have been affected by an evolving consumer demand environment largely driven by what we believe to be non-structural socioeconomic factors. These factors include subdued spend, value-seeking behaviors, and reductions in the discretionary income available to purchase our products among consumers, elevated unemployment, changing prices, inflation, other unfavorable global and regional economic conditions, demographic trends in the U.S., global supply chain disruptions and constraints, and geopolitical events, including the impact of military conflicts, as well as retailer destocking impacting our Wine and Spirits segment.

Recent developments in international trade relations, including significant changes in U.S. trade policy and actions which include threatened, new, and increased tariffs on other countries and retaliatory tariffs and actions imposed on certain U.S. goods have produced heightened uncertainty with respect to trade and tariff policies and regulations affecting trade between the U.S. and other countries, which could continue to alter the global trade environment. For example, the U.S. government has imposed tariffs on product imports, including on raw and packaging materials, from certain countries (such as Mexico, the European Union including Italy, and New Zealand) and certain other countries have implemented tariffs on U.S. goods, such as the tariffs on certain product imports originating from the U.S. imposed by the Canadian government, although some of these tariffs were subsequently modified or delayed.

We expect some or all of these market conditions and their impacts to continue in Fiscal 2026 which could have a material impact on our results of operations and financial condition. We intend to continue to monitor the evolving consumer demand and economic environments and their impacts on our business. In addition, we have implemented the 2025 Restructuring Initiative, which is an enterprise-wide cost savings and restructuring initiative designed to help optimize the performance of our business, including through enhanced organizational efficiency and optimized expenditures across our organization. We also intend to continue our commodity and foreign exchange hedging

programs. However, there can be no assurance that we will be able to adequately respond to softer consumer demand trends or fully mitigate rising costs, including as a result of new or increased tariffs, through increased selling prices, cost, productivity, efficiency, and inventory management initiatives, optimized marketing plans, and/or our commodity and foreign exchange hedging programs. Furthermore, to the extent severe weather events that impact our business, such as wildfires, droughts, floods, extreme heat, and/or late frosts, or other weather conditions that constrain purchasing occasions for our consumers, continue to occur or accelerate in future periods, it could have a material impact on our results of operations and financial condition.

2025 Restructuring Initiative

We have implemented the 2025 Restructuring Initiative which is expected to yield over \$200 million in net annualized cost savings by Fiscal 2028. The majority of the work associated with the 2025 Restructuring Initiative is expected to be completed within Fiscal 2026 and is estimated to result in \$80 million to \$100 million of cumulative pre-tax costs once all phases are fully implemented. In connection with the 2025 Restructuring Initiative, we recognized \$13.3 million of pre-tax restructuring costs in First Quarter 2026 and \$63.0 million of cumulative pre-tax costs since the inception of this initiative. These costs were included in selling, general, and administrative costs within our consolidated results. For additional information on the 2025 Restructuring Initiative, refer to Note 3.

Recent Development

2025 Wine Divestitures

On June 2, 2025, we sold and, in certain instances, exclusively licensed the trademarks of a portion of our wine and spirits business, primarily centered around our mainstream wine brands and associated inventory, wineries, vineyards, offices, and facilities for \$857.6 million, subject to certain post-closing adjustments. The net cash proceeds from the 2025 Wine Divestitures were used for the repayment of debt. Prior to the completion of the 2025 Wine Divestitures, we recorded the results of operations of the divested and exclusively licensed brands in the Wine and Spirits segment. This transaction supports our strategic focus on consumer-led premiumization trends and meeting the evolving needs of our consumers. For additional information, refer to Notes 2 and 10.

Divestitures, Acquisitions, and Investments

Beer segment

Mexicali Brewery sale

In July 2024, we sold the remaining assets classified as held for sale at the canceled Mexicali Brewery.

Wine and Spirits segment

SVEDKA Divestiture

On January 6, 2025, we sold the SVEDKA brand and related assets, primarily including inventory and equipment. The net cash proceeds were used for general corporate purposes, including funding share repurchases, capital expenditures, and repayment of debt. Prior to the completion of the SVEDKA Divestiture, we recorded the results of operations of the SVEDKA brand in the Wine and Spirits segment.

Nelson's Green Brier investment

In October 2024, we purchased the remaining 25% noncontrolling interest in Nelson's Green Brier, a portfolio of Tennessee-based craft bourbon and whiskey products.

Sea Smoke acquisition

In June 2024, we acquired the Sea Smoke business, including a California-based luxury wine brand, vineyards, and a production facility. This transaction also included the acquisition of goodwill, inventory, and a trademark. The results of operations of Sea Smoke are reported in the Wine and Spirits segment and have been included in our consolidated results of operations from the date of acquisition.

These Wine and Spirits segment activities support our strategic focus on consumer-led premiumization trends and meeting the evolving needs of our consumers.

Corporate Operations and Other segment

Canopy investment

We have an investment in Canopy, a North American cannabis and CPG company providing medical and adult-use cannabis products, which expands our portfolio into adjacent categories.

Exchangeable Shares

In April 2024, we elected to convert our Canopy common shares and exchange a portion of the principal amount of a promissory note issued to us by Canopy. As a result of these transactions, we (i) have 26.3 million Exchangeable Shares and (ii) recognized an \$83.3 million net gain based on the fair value of Exchangeable Shares on the date of the conversion and exchange. This net gain is included in income (loss) from unconsolidated investments within our consolidated results for First Quarter 2025.

For additional information on these divestitures, acquisitions, and investments refer to Notes 2 and 9.

RESULTS OF OPERATIONS

Financial Highlights

References to organic throughout the following discussion exclude the impact of the SVEDKA Divestiture, as appropriate.

First Quarter 2026 compared to First Quarter 2025

Net sales decreased 6% due to a decline in Wine and Spirits net sales led by a decrease in organic branded shipment volume and a decrease in Beer net sales driven primarily by a shipment volume decline, partially offset by a favorable impact from pricing.

Operating income decreased 24% primarily due to (i) unfavorable Comparable Adjustments led by losses associated with assets held for sale impairment and related expenses as well as losses recognized on undesignated commodity derivative contracts for First Quarter 2026 compared with gains for First Quarter 2025 and (ii) the declines in Wine and Spirits and Beer segments net sales, partially offset by a successful execution of cost initiatives within the Beer segment.

Net income attributable to CBI and diluted net income per common share attributable to CBI decreased 41% and 39%, respectively, largely due to (i) the items discussed above, (ii) a First Quarter 2025 net gain in connection with Exchangeable Shares, and (iii) higher provision for income taxes.

Comparable Adjustments

Management excludes items that affect comparability from its evaluation of the results of each operating segment as these Comparable Adjustments are not reflective of core operations of the segments. Segment operating performance and the incentive compensation of segment management are evaluated based on core segment operating income (loss) which does not include the impact of these Comparable Adjustments.

As more fully described herein and in the related Notes, the Comparable Adjustments that impacted comparability in our segment results for each period are as follows:

	First Quarter 2026	First Quarter 2025
(in millions)		
Cost of product sold		
Net gain (loss) on undesignated commodity derivative contracts	\$ (17.7)	\$ 14.6
Flow through of inventory step-up	(0.9)	(1.1)
Strategic business reconfiguration costs	(0.4)	—
Settlements of undesignated commodity derivative contracts	2.5	8.5
Comparable Adjustments, Cost of product sold	(16.5)	22.0
Selling, general, and administrative expenses		
2025 Restructuring Initiative	(13.3)	—
Transition services agreements activity	(5.5)	(2.8)
Strategic business reconfiguration costs	(5.2)	(1.8)
Transaction, integration, and other acquisition-related costs	(2.1)	(0.2)
Other gains (losses)	(1.4)	0.4
Comparable Adjustments, Selling, general, and administrative expenses	(27.5)	(4.4)
Assets held for sale impairment and related expenses	(52.1)	—
Comparable Adjustments, Operating income (loss)	<u>\$ (96.1)</u>	<u>\$ 17.6</u>
Comparable Adjustments, Income (loss) from unconsolidated investments	\$ —	\$ 83.3

Cost of product sold

Undesignated commodity derivative contracts

Net gain (loss) on undesignated commodity derivative contracts represents a net gain (loss) from the changes in fair value of undesignated commodity derivative contracts. The net gain (loss) is reported outside of segment operating results until such time that the underlying exposure is recognized in the segment operating results. At settlement, the net gain (loss) from the changes in fair value of the undesignated commodity derivative contracts is reported in the appropriate operating segment, allowing the results of our operating segments to reflect the economic effects of the commodity derivative contracts without the resulting unrealized mark to fair value volatility.

Flow through of inventory step-up

In connection with acquisitions, the allocation of purchase price in excess of book value for certain inventories on hand at the date of acquisition is referred to as inventory step-up. Inventory step-up represents an assumed manufacturing profit attributable to the acquired business prior to acquisition.

Strategic business reconfiguration costs

We recognized costs primarily in connection with losses on write-downs of excess inventory resulting from our initiatives to streamline, increase efficiencies, and reduce our cost structure primarily within our Wine and Spirits segment (First Quarter 2026).

Selling, general, and administrative expenses

2025 Restructuring Initiative

We recognized costs in connection with an enterprise-wide cost savings and restructuring initiative designed to help optimize the performance of our business (First Quarter 2026).

Transition services agreements activity

We recognized costs in connection with transition services agreements related to the previous sale of a portion of our wine and spirits business.

Strategic business reconfiguration costs

We recognized costs in connection with certain activities which are intended to streamline, increase efficiencies, and reduce our cost structure.

Transaction, integration, and other acquisition-related costs

We recognized costs in connection with our acquisitions, divestitures, and investments.

Other gains (losses)

We recognized a net loss from the sales of businesses (First Quarter 2026).

Assets held for sale impairment and related expenses

Largely in connection with the 2025 Wine Divestitures we recognized contract liabilities and inventory obsolescence expenses, partially offset by changes in net assets held for sale (First Quarter 2026). For additional information, refer to Note 6.

Income (loss) from unconsolidated investments

We recognized a net gain in connection with Exchangeable Shares (First Quarter 2025). For additional information, refer to Note 9.

Business Segments**First Quarter 2026 compared to First Quarter 2025****Net sales**

	First Quarter 2026	First Quarter 2025	Dollar Change	Percent Change
(in millions)				
Beer	\$ 2,234.5	\$ 2,272.8	\$ (38.3)	(2 %)
Wine and Spirits:				
Wine	258.5	329.3	(70.8)	(22 %)
Spirits	22.0	59.7	(37.7)	(63 %)
Total Wine and Spirits	280.5	389.0	(108.5)	(28 %)
Consolidated net sales	<u>\$ 2,515.0</u>	<u>\$ 2,661.8</u>	<u>\$ (146.8)</u>	(6 %)

**Beer segment**

	First Quarter 2026	First Quarter 2025	Dollar Change	Percent Change
(in millions, branded product, 24-pack, 12-ounce case equivalents)				
Net sales	\$ 2,234.5	\$ 2,272.8	\$ (38.3)	(2 %)
Shipments	111.3	115.1		(3.3 %)
Depletions				(2.6 %)

The decrease in Beer net sales is due to (i) a \$75.7 million decrease in shipment volume and (ii) \$7.5 million of unfavorable product mix primarily from a shift in package types, partially offset by \$44.9 million of

favorable impact from pricing in select markets. We believe our net sales continue to be suppressed by the non-structural socioeconomic factors discussed above.



Wine and Spirits segment

	First Quarter 2026	First Quarter 2025	Dollar Change	Percent Change
(in millions, branded product, 9-liter case equivalents)				
Net sales	\$ 280.5	\$ 389.0	\$ (108.5)	(28 %)
Shipments				
Total	3.9	5.6		(30.4 %)
Organic ⁽¹⁾	3.9	4.5		(13.3 %)
U.S. Wholesale	3.3	4.9		(32.7 %)
Organic U.S. Domestic ⁽¹⁾	3.3	3.8		(13.2 %)
Depletions				(8.1 %)

⁽¹⁾ Includes adjustments to remove volumes associated with the SVEDKA Divestiture for the period March 1, 2024, through May 31, 2024.

The decrease in Wine and Spirits net sales is due to a \$72.5 million decrease in organic net sales and \$36.0 million from the SVEDKA Divestiture that are no longer part of our business. The decrease in organic net sales is driven by (i) a \$53.2 million decrease in branded wine and spirits shipment volume, (ii) an \$8.9 million decrease from pricing actions in certain markets, (iii) a \$7.9 million decrease in contractual distributor payments as compared to First Quarter 2025, and (iv) \$4.9 million of unfavorable product mix. The decrease in branded wine and spirits shipment volume and unfavorable product mix are both attributable to our U.S. wholesale market, including the cadence of shipments to better align with ongoing weaker consumer demand particularly affecting the mainstream price segments. We continue to expect depletion volume to outpace shipment volume for Fiscal 2026, most notably during the first half of Fiscal 2026.

Gross profit

	First Quarter 2026	First Quarter 2025	Dollar Change	Percent Change
(in millions)				
Beer	\$ 1,187.0	\$ 1,213.1	\$ (26.1)	(2 %)
Wine and Spirits	96.1	168.7	(72.6)	(43 %)
Comparable Adjustments	(16.5)	22.0	(38.5)	NM
Consolidated gross profit	<u>\$ 1,266.6</u>	<u>\$ 1,403.8</u>	<u>\$ (137.2)</u>	(10 %)



The decrease in Beer gross profit is due to (i) a \$40.2 million decline in shipment volume, (ii) \$27.4 million of increased cost of product sold, and (iii) \$3.4 million of unfavorable product mix, partially offset by the \$44.9 million favorable impact from pricing. The increase in cost of product sold is primarily due to (i) \$22.6 million of unfavorable fixed cost absorption related to decreased production levels as compared to First Quarter 2025 and (ii) \$16.3 million of higher material costs, including aluminum, glass, and starch, of which \$6.9 million is attributable to tariffs on aluminum cans, partially offset by \$11.7 million of decreased transportation costs, largely driven by efficiency initiatives. To partially offset the increase in cost of product sold we are executing efficiency and cost optimization initiatives focused largely on procurement and logistics that resulted in an approximate \$40 million net benefit for First Quarter 2026.



The decrease in Wine and Spirits gross profit is due to a \$57.5 million decrease in organic gross profit and \$15.1 million from the SVEDKA Divestiture that is no longer part of our business. The decrease in organic gross profit is attributable to (i) a \$33.3 million decline in branded wine and spirits shipment volume, (ii) the \$8.9 million unfavorable pricing, (iii) the \$7.9 million decrease in contractual distributor payments, and (iv) \$7.0 million of unfavorable product mix. Cost of product sold remained relatively flat as unfavorable fixed cost absorption related to decreased production levels as compared to First Quarter 2025 was offset by decreased transportation costs.

Gross profit as a percent of net sales decreased to 50.4% for First Quarter 2026 compared with 52.7% for First Quarter 2025. This decrease was largely driven by rate declines from (i) an unfavorable change in Comparable Adjustments, contributing approximately 150 basis points, (ii) approximately 110 basis points from higher cost of product sold within the Beer segment, (iii) approximately 30 basis points as a result of pricing actions in certain markets and lower distributor payments both within the Wine and Spirits segment, and (iv) approximately 20 basis points due to lower branded Wine and Spirits shipment volume as compared to First Quarter 2025. These declines were partially offset by a favorable impact from Beer pricing, which contributed rate growth of approximately 85 basis points.

Selling, general, and administrative expenses

	First Quarter 2026	First Quarter 2025	Dollar Change	Percent Change
(in millions)				
Beer	\$ 313.6	\$ 290.1	\$ 23.5	8 %
Wine and Spirits	102.1	109.0	(6.9)	(6 %)
Corporate Operations and Other	57.5	58.7	(1.2)	(2 %)
Comparable Adjustments	27.5	4.4	23.1	NM
Consolidated selling, general, and administrative expenses	<u>\$ 500.7</u>	<u>\$ 462.2</u>	<u>\$ 38.5</u>	8 %



The increase in Beer selling, general, and administrative expenses is largely driven by \$12.9 million and \$10.2 million of increased general and administrative expenses and marketing spend, respectively. The increase in general and administrative expenses is primarily due to higher compensation and benefits and consulting costs. The higher marketing spend is primarily led by increased media investment to support our high-end imported beer brands.



The decrease in Wine and Spirits selling, general, and administrative expenses is largely due to \$6.0 million and \$1.1 million of decreased marketing spend and general and administrative expenses, respectively. Marketing as a percentage of net sales increased year-over-year driven by support of our largest brands.



The decrease in Corporate Operations and Other selling, general, and administrative expenses is largely due to a net decrease in compensation and benefits, driven by lower stock-based compensation expense as compared to First Quarter 2025, partially offset by higher depreciation expense as a result of our June 2024 corporate headquarters relocation.

Selling, general, and administrative expenses as a percent of net sales increased to 19.9% for First Quarter 2026 as compared to 17.4% for First Quarter 2025. The increase is largely driven by (i) approximately 120 basis points of rate growth from higher Beer selling, general, and administrative expenses, (ii) an unfavorable change in Comparable Adjustments, contributing approximately 90 basis points, and (iii) approximately 25 basis points of rate growth from Wine and Spirits as the decrease in Wine and Spirits net sales exceeded the decrease in selling, general, and administrative expenses.

Operating income (loss)

	First Quarter 2026	First Quarter 2025	Dollar Change	Percent Change
(in millions)				
Beer	\$ 873.4	\$ 923.0	\$ (49.6)	(5 %)
Wine and Spirits	(6.0)	59.7	(65.7)	(110 %)
Corporate Operations and Other	(57.5)	(58.7)	1.2	2 %
Comparable Adjustments	(96.1)	17.6	(113.7)	NM
Consolidated operating income (loss)	<u>\$ 713.8</u>	<u>\$ 941.6</u>	<u>\$ (227.8)</u>	(24 %)



The decrease in Beer operating income is largely attributable to the (i) decline in shipment volume and related unfavorable fixed cost absorption, (ii) increased materials costs, and (iii) higher general and administrative expenses and marketing spend, partially offset by the favorable impact from pricing and cost initiatives, as described above.



The decrease in Wine and Spirits operating income is largely attributable to the (i) decline in organic branded wine and spirits shipment volume, (ii) SVEDKA Divestiture, (iii) unfavorable impact from pricing actions in certain markets, and (iv) decline in contractual distributor payments, partially offset by lower marketing spend, as described above.



As previously discussed, the decrease in Corporate Operations and Other operating loss is largely due to the decrease in net compensation and benefits, partially offset by higher depreciation expense, as described above.

Income (loss) from unconsolidated investments

	First Quarter 2026	First Quarter 2025	Dollar Change	Percent Change
(in millions)				
Equity in earnings (losses) from equity method investees and related activities	\$ (3.5)	\$ (1.3)	\$ (2.2)	(169 %)
Net gain in connection with Exchangeable Shares	—	83.3	(83.3)	NM
Income (loss) from unconsolidated investments	<u>\$ (3.5)</u>	<u>\$ 82.0</u>	<u>\$ (85.5)</u>	(104 %)

Interest expense, net

Interest expense, net decreased to \$98.9 million for First Quarter 2026 as compared to \$102.8 million for First Quarter 2025. This decrease of \$3.9 million, or 4%, is due to approximately \$375 million of lower average borrowings. For additional information, refer to Note 10.

(Provision for) benefit from income taxes

The provision for income taxes increased to \$87.6 million for First Quarter 2026 from \$28.0 million for First Quarter 2025. Our effective tax rate for First Quarter 2026 was 14.3% as compared with 3.0% for First Quarter 2025. In comparison to prior year, our effective tax rate was largely impacted by a higher net income tax benefit from the resolution of various tax examinations and assessments related to prior periods recognized in First Quarter 2025 as compared to First Quarter 2026. For additional information, refer to Note 11.

The OECD introduced a framework under Pillar Two which includes a 15% global minimum tax rate. The current legislation did not have a material impact on our consolidated financial statements. We continue to monitor developments for potential future impacts. Additionally, we provide for taxes that may be payable if undistributed

earnings of foreign subsidiaries were to be remitted to the U.S., except for those earnings that we consider to be indefinitely reinvested.

We expect our reported effective tax rate for Fiscal 2026 to be in the range of 14% to 16%.

Net income (loss) attributable to CBI

Net income attributable to CBI decreased to \$516.1 million for First Quarter 2026 from \$877.0 million for First Quarter 2025. This decrease of \$360.9 million, or 41%, is largely attributable to (i) the net sales declines in both the Wine and Spirits and Beer segments, (ii) the First Quarter 2025 net gain in connection with Exchangeable Shares, (iii) higher provision for income taxes as compared to First Quarter 2025, and (iv) the First Quarter 2026 assets held for sale impairment and related expenses.

LIQUIDITY AND CAPITAL RESOURCES

General

Our primary source of liquidity has been cash flow from operating activities. Our ability to consistently generate robust cash flow from our operations is one of our most significant financial strengths. It enables us to invest in our people and our brands, make capital investments and strategic acquisitions, provide a cash dividend program, and repurchase shares of our common stock. Our largest use of cash in our operations is for purchasing and carrying inventories and carrying seasonal accounts receivable. Historically, we have used this cash flow to repay our short-term borrowings and fund capital expenditures. Additionally, our commercial paper program is used to fund our short-term borrowing requirements and to maintain our access to the capital markets. We use our short-term borrowings, including our commercial paper program, to support our working capital requirements and capital expenditures, among other things.

We seek to maintain adequate liquidity to meet working capital requirements, fund capital expenditures, and repay scheduled principal and interest payments on debt. Absent deterioration of market conditions, we believe that cash flows from operating and financing activities will provide adequate resources to satisfy our working capital, scheduled principal and interest payments on debt, anticipated dividend payments, periodic share repurchases, and planned capital expenditure requirements for both our short-term and long-term capital needs.

We have an agreement with a financial institution for payment services and to facilitate a voluntary supply chain finance program through this participating financial institution. The program is available to certain of our suppliers allowing them the option to manage their cash flow. We are not a party to the agreements between the participating financial institution and the suppliers in connection with the program. Our rights and obligations to our suppliers, including amounts due and scheduled payment terms, are not impacted. As of May 31, 2025, and February 28, 2025, the amount payable to this participating financial institution for suppliers who voluntarily participate in the supply chain finance program was \$8.5 million and \$3.8 million, respectively, and was included in accounts payable within our consolidated balance sheets. We account for payments made under the supply chain finance program the same as our other accounts payable, as a reduction to our cash flow from operating activities.

Cash Flows

	First Quarter 2026	First Quarter 2025	Dollar Change
(in millions)			
Net cash provided by (used in):			
Operating activities	\$ 637.2	\$ 690.5	\$ (53.3)
Investing activities	(196.1)	(377.4)	181.3
Financing activities	(437.6)	(393.0)	(44.6)
Effect of exchange rate changes on cash and cash equivalents	2.3	1.3	1.0
Net increase (decrease) in cash and cash equivalents	<u>\$ 5.8</u>	<u>\$ (78.6)</u>	<u>\$ 84.4</u>

Operating activities

The decrease in net cash provided by (used in) operating activities consists of:

	First Quarter 2026	First Quarter 2025	Dollar Change
(in millions)			
Net income (loss)	\$ 523.8	\$ 892.8	\$ (369.0)
Assets held for sale impairment and related expenses	52.1	—	52.1
Net gain in connection with Exchangeable Shares	—	(83.3)	83.3
Other non-cash adjustments	231.1	72.5	158.6
Change in operating assets and liabilities, net of effects from purchase and sale of business	(169.8)	(191.5)	21.7
Net cash provided by (used in) operating activities	<u>\$ 637.2</u>	<u>\$ 690.5</u>	<u>\$ (53.3)</u>

The \$21.7 million net change in operating assets and liabilities was largely driven by changes in inventory levels for the Beer segment. These changes were partially offset by accounts payable in both the Beer and Wine and Spirits segments resulting from the timing of payments. Additionally, net cash provided by operating activities was positively impacted by lower First Quarter 2026 income tax payments as compared to First Quarter 2025 following the resolution of various tax examinations and assessments.

Investing activities

Net cash used in investing activities decreased to \$196.1 million for First Quarter 2026 from \$377.4 million for First Quarter 2025. This decrease of \$181.3 million, or 48%, was primarily due to \$182.5 million of reduced capital expenditures for First Quarter 2026 as compared to First Quarter 2025.

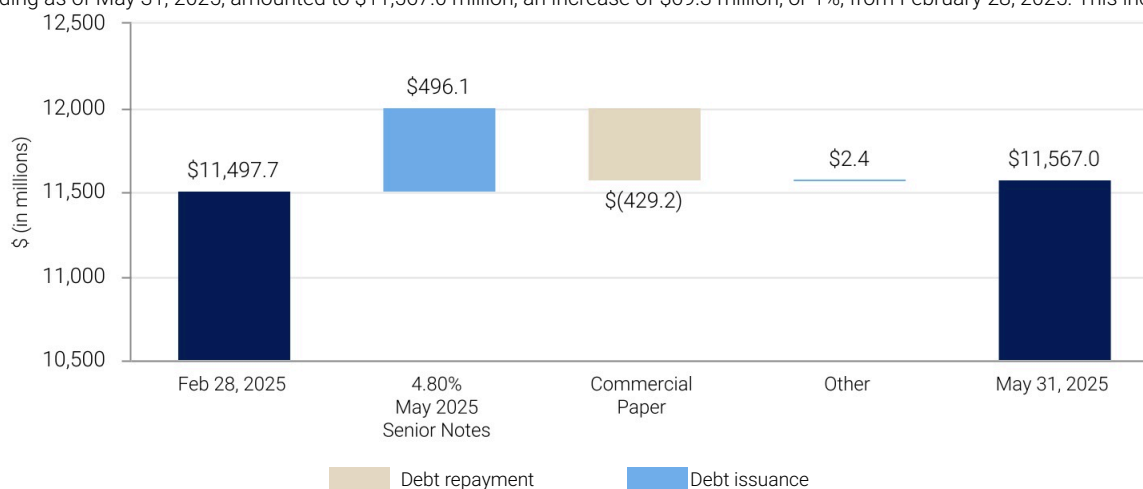
Financing activities

The increase in net cash used in financing activities consisted of:

	First Quarter 2026	First Quarter 2025	Dollar Change
(in millions)			
Net proceeds from (payments of) debt, current and long-term, and related activities	\$ 63.7	\$ (0.4)	\$ 64.1
Dividends paid	(182.2)	(185.3)	3.1
Purchases of treasury stock	(306.1)	(200.0)	(106.1)
Net cash provided by (used in) stock-based compensation activities	(4.1)	10.9	(15.0)
Distributions to noncontrolling interests	(7.5)	(17.5)	10.0
Payment of contingent consideration	(1.4)	(0.7)	(0.7)
Net cash provided by (used in) financing activities	<u>\$ (437.6)</u>	<u>\$ (393.0)</u>	<u>\$ (44.6)</u>

Debt

Total debt outstanding as of May 31, 2025, amounted to \$11,567.0 million, an increase of \$69.3 million, or 1%, from February 28, 2025. This increase consisted of:



Bank facilities

In May 2025, we entered into the 2025 Term Credit Agreement, which provides for a six-month delayed draw \$500.0 million term loan facility, available in up to two draws. The balance is due and payable two years after the initial funding date, if any, occurs. There are no borrowings outstanding under the 2025 Term Credit Agreement.

In April 2025, we entered into the 2025 Restatement Agreement that amended and restated our then-existing senior credit facility. The 2025 Restatement Agreement resulted in (i) refinancing the existing \$2.25 billion revolving credit facility, (ii) extending its maturity to April 28, 2030, and (iii) refining certain negative covenants. There are no borrowings outstanding under the 2025 Credit Agreement.

Senior notes

On July 2, 2025, we repaid the 4.75% December 2015 Senior Notes using proceeds from the 2025 Wine Divestitures and cash on hand. On June 12, 2025, we repaid the 5.00% February 2023 Senior Notes using proceeds from the 2025

Wine Divestitures. Each of these notes were redeemed prior to maturity at a redemption price equal to 100% of the outstanding principal amount plus accrued and unpaid interest.

In May 2025, we issued the 4.80% May 2025 Senior Notes. Proceeds from this offering, net of discount and debt issuance costs, of \$496.0 million were used for general corporate purposes, including repayment of commercial paper and other indebtedness, working capital, funding capital expenditures, and other business opportunities.

General

The majority of our outstanding borrowings as of May 31, 2025, consisted of fixed-rate senior unsecured notes, with maturities ranging from calendar 2025 to calendar 2050.

Additionally, we have a commercial paper program which provides for the issuance of up to an aggregate principal amount of \$2.25 billion of commercial paper. Our commercial paper program is backed by unused commitments under our revolving credit facility under our 2025 Credit Agreement. Accordingly, outstanding borrowings under our commercial paper program reduce the amount available under our revolving credit facility.

We do not have purchase commitments from buyers for our commercial paper and, therefore, our ability to issue commercial paper is subject to market demand. If the commercial paper market is not available to us for any reason when commercial paper borrowings mature, we expect to utilize unused commitments under our revolving credit facility under our 2025 Credit Agreement to repay commercial paper borrowings. We do not expect that fluctuations in demand for commercial paper will affect our liquidity given our borrowing capacity available under our revolving credit facility.

We had the following remaining borrowing capacity available under our 2025 Credit Agreement:

	May 31, 2025	June 30, 2025
(in millions)		
Revolving credit facility ⁽¹⁾	\$ 1,861.1	\$ 2,238.7

⁽¹⁾ Net of outstanding revolving credit facility borrowings and outstanding letters of credit under our 2025 Credit Agreement and outstanding borrowings under our commercial paper program (excluding unamortized discount) of \$377.6 million and \$0.0 million as of May 31, 2025, and June 30, 2025, respectively.

The financial institutions participating in our 2025 Credit Agreement have complied with prior funding requests and we believe they will comply with any future funding requests. However, there can be no assurances that any particular financial institution will continue to do so.

As of May 31, 2025, we and our subsidiaries were subject to covenants that are contained in our 2025 Credit Agreement and the 2025 Term Credit Agreement, including those restricting the incurrence of additional subsidiary indebtedness, additional liens, mergers and consolidations, transactions with affiliates, and sale and leaseback transactions, in each case subject to numerous conditions, exceptions, and thresholds. The financial covenants are limited to a minimum interest coverage ratio and a maximum net leverage ratio, both as defined in our 2025 Credit Agreement. As of May 31, 2025, under our 2025 Credit Agreement, the minimum interest coverage ratio was 2.5x and the maximum net leverage ratio was 4.0x.

The representations, warranties, covenants, and events of default set forth in our 2025 Term Credit Agreement are substantially similar to those set forth in our 2025 Credit Agreement.

Our indentures relating to our outstanding senior notes contain certain covenants, including, but not limited to: (i) a limitation on liens on certain assets, (ii) a limitation on certain sale and leaseback transactions, and (iii) restrictions on mergers, consolidations, and the transfer of all or substantially all of our assets to another person.

As of May 31, 2025, we were in compliance with our covenants under our 2025 Credit Agreement and our indentures, and have met all debt payment obligations.

For further discussion and presentation of our borrowings and available sources of borrowing, refer to Note 12 of our consolidated financial statements included in our 2025 Annual Report and Note 10.

Common Stock Dividends

On July 1, 2025, our Board of Directors declared a quarterly cash dividend of \$1.02 per share of Class A Stock and \$0.92 per share of Class 1 Stock payable on August 14, 2025, to stockholders of record of each class as of the close of business on July 30, 2025.

We currently expect to continue to pay a regular quarterly cash dividend to stockholders of our common stock in the future, but such payments are subject to approval of our Board of Directors and are dependent upon our financial condition, results of operations, capital requirements, and other factors, including those set forth under Item 1A. "Risk Factors" of our 2025 Annual Report.

Share Repurchase Program

Our Board of Directors authorized the repurchase of our publicly traded common stock of up to \$4.0 billion under the 2025 Authorization which expires in February 2028. As of July 2, 2025, total shares repurchased are as follows:

	Repurchase Authorization	Class A Stock	
		Dollar Value of Shares Repurchased	Number of Shares Repurchased
(in millions, except share data)			
2025 Authorization ⁽¹⁾	\$ 4,000.0	\$ 381.1	2,066,296

⁽¹⁾ As of July 2, 2025, \$3,618.9 million remains available for future share repurchases, excluding the impact of Federal excise tax owed pursuant to the IRA.

Share repurchases under the 2025 Authorization may be accomplished at management's discretion from time to time based on market conditions, our cash and debt position, and other factors as determined by management. Shares may be repurchased through open market or privately negotiated transactions. We may fund future share repurchases with cash generated from operations, proceeds from borrowings, and/or divestiture proceeds. Any repurchased shares will become treasury shares, including shares previously repurchased under the 2025 Authorization.

We currently expect to return \$4.0 billion in share repurchases to stockholders over the next three fiscal years, but such repurchases are dependent upon our financial condition, results of operations, capital requirements, and other factors, including those set forth under Item 1A. "Risk Factors" of our 2025 Annual Report.

For additional information, refer to Note 17 of our consolidated financial statements included in our 2025 Annual Report and Note 12.

Accounting Guidance

Accounting guidance adopted for First Quarter 2026 did not have a material impact on our Financial Statements.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements. All statements other than statements of historical fact included in this Form 10-Q are forward-looking statements, including without limitation:

- The statements under MD&A regarding:
 - our business strategy, including our strategic vision, growth plans, Digital Business Acceleration initiatives, Beer segment focus on upholding our leadership position in the U.S. beer market, and Wine and Spirits segment focus on delivering growth and improving margins beyond Fiscal 2026;
 - our beer expansion, optimization, and/or construction activities, including anticipated scope, capacity, costs, capital expenditures, and timeframes for completion;
 - our innovation, marketing, sales, and distribution plans, activities, and strategies;
 - our long-term financial model, target comparable net leverage and target dividend payout ratios, future operations, financial condition and position, net sales, expenses including potential future impairment losses, hedging programs, cost, restructuring, and efficiency initiatives, including the 2025 Restructuring Initiative, capital expenditures, effective tax rates and anticipated tax liabilities, expected volume, inventory, supply and demand levels, balance, cadence, and trends, access to capital markets, liquidity and capital resources, including our ability to consistently generate robust cash flow and raise or repay debt, and prospects, plans, and objectives of management;
 - the evolving consumer demand environment and trends, non-structural socioeconomic factors, including subdued spend, value-seeking behaviors, and reductions in the discretionary income, elevated unemployment, changing prices, inflation, other unfavorable global and regional economic conditions, demographic trends in the U.S., global supply chain disruptions and constraints, and geopolitical events, including the impact of military conflicts, as well as retailer destocking impacting our wine and spirits business, and our responses thereto;
 - recent and potential future changes to trade and tariff policies, particularly on imports from Mexico, the European Union including Italy, and New Zealand into the U.S. and retaliatory tariffs imposed on certain product imports originating from the U.S.;
 - expected or potential actions of third parties, including possible changes to laws, rules, and regulations;
 - the potential impact of severe weather events or other weather conditions;
 - the manner, timing, and duration of the share repurchase program and source of funds for share repurchases; and
 - the amount and timing of future dividends.
- The statements regarding the future reclassification of net gains from AOCI, potential future impairments of our Canopy investment, our aim to hedge 100% of our balance sheet exposures, and continuing to evaluate internal control changes in connection with the OneStream implementation.

When used in this Form 10-Q, the words “anticipate,” “expect,” “intend,” “will,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. All forward-looking statements speak only as of the date of this Form 10-Q. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. In addition to the risks and uncertainties of ordinary business operations and conditions in the general economy and markets in which we compete, our forward-looking statements contained in this Form 10-Q are also subject to the risk, uncertainty, and possible variance from our current expectations regarding:

- potential declines in the consumption of products we sell and our dependence on sales of our Mexican beer brands;
- impacts of our acquisition, divestiture, investment, and new product development strategies and activities;
- dependence upon our trademarks and proprietary rights, including the failure to protect our intellectual property rights;
- potential damage to our reputation;
- competition in our industry and for talent;
- economic and other uncertainties associated with our international operations, including new or increased tariffs;
- water, agricultural and other raw material, and packaging material supply, production, and/or transportation difficulties, disruptions, and impacts, including limited groups of certain suppliers;
- reliance on complex information systems and third-party global networks as well as risks associated with cybersecurity and artificial intelligence;
- dependence on limited facilities for production of our Mexican beer brands, including beer operations expansion, optimization, and/or construction activities, scope, capacity, supply, costs (including impairments), capital expenditures, and timing;
- operational disruptions or catastrophic loss to our breweries, wineries, other production facilities, or distribution systems;
- severe weather, natural and man-made disasters, climate change, environmental sustainability and CSR-related regulatory compliance, and failure to meet environmental sustainability and CSR targets, commitments, and aspirations;
- the success of our cost savings, restructuring, and efficiency initiatives;
- reliance on wholesale distributors, major retailers, and government agencies;
- contamination and degradation of product quality from diseases, pests, weather, and other conditions;
- communicable infection or disease outbreaks, pandemics, or other widespread public health crises impacting our consumers, employees, distributors, retailers, and/or suppliers;
- effects of employee labor activities that could increase our costs;
- our indebtedness and interest rate fluctuations;
- our international operations, worldwide and regional economic trends and financial market conditions, geopolitical uncertainty, including the impact of military conflicts, or other governmental rules and regulations;
- class action or other litigation we face or may face, including relating to alleged securities law violations, abuse or misuse of our products, product liability, marketing or sales practices, including product labeling, or other matters;
- potential impairments of our intangible assets, such as goodwill and trademarks;
- changes to tax laws, fluctuations in our effective tax rate, accounting for tax positions, the resolution of tax disputes, changes to accounting standards, elections, assertions, or policies, and the potential impact of a global minimum tax rate;
- uncertainties related to future cash dividends and share repurchases, which may affect the price of our common stock;
- ownership of our Class A Stock by certain individuals and entities affiliated with the Sands family and their Board of Director nomination rights;
- the choice-of-forum provision in our amended and restated by-laws regarding certain stockholder litigation.

For additional information about risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by our forward-looking statements contained in the Form 10-Q, please refer to Item 1A. "Risk Factors" of our 2025 Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a result of our global operating, investment, acquisition, divestiture, and financing activities, we are exposed to market risk associated with changes in foreign currency exchange rates, commodity prices, and interest rates. To manage the volatility relating to these risks, we periodically purchase and/or sell derivative instruments including foreign currency forward and option contracts, commodity swap contracts, cross-currency swap contracts, interest rate swap contracts, and Pre-issuance hedge contracts. We use derivative instruments to reduce earnings and cash flow volatility resulting from shifts in market rates, as well as to hedge economic exposures. We do not enter into derivative instruments for trading or speculative purposes.

Foreign currency and commodity price risk

Foreign currency derivative instruments are or may be used to hedge existing foreign currency denominated assets and liabilities, forecasted foreign currency denominated sales/purchases to/from third parties as well as intercompany sales/purchases, intercompany principal and interest payments, and in connection with investments, acquisitions, or divestitures outside the U.S. As of May 31, 2025, we had exposures to foreign currency risk primarily related to the Mexican peso, Canadian dollar, New Zealand dollar, and euro. We aim to hedge 100% of our balance sheet exposures. As of May 31, 2025, 79% of our forecasted transactional exposures for the remaining nine months of Fiscal 2026 were hedged.

Commodity derivative instruments are or may be used to hedge forecasted commodity purchases from third parties as either economic hedges or accounting hedges. As of May 31, 2025, exposures to commodity price risk which we are currently hedging include aluminum, corn, diesel fuel, and natural gas prices. Approximately 73% of our forecasted transactional exposures for the remaining nine months of Fiscal 2026 were hedged as of May 31, 2025.

We have performed a sensitivity analysis to estimate our exposure to market risk of foreign exchange rates and commodity prices reflecting the impact of a hypothetical 10% adverse change in the applicable market. The volatility of the applicable rates and prices is dependent on many factors which cannot be forecasted with reliable accuracy. Gains or losses from the revaluation or settlement of the related underlying positions would substantially offset such gains or losses on the derivative instruments. The aggregate notional value, estimated fair value, and sensitivity analysis for our open foreign currency and commodity derivative instruments are summarized as follows:

	Aggregate Notional Value		Fair Value, Net Asset (Liability)		Increase (Decrease) in Fair Value – Hypothetical 10% Adverse Change	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
(in millions)						
Foreign currency contracts	\$ 3,275.5	\$ 2,912.6	\$ 152.5	\$ 284.9	\$ (200.7)	\$ (181.6)
Commodity derivative contracts	\$ 327.6	\$ 351.5	\$ (17.9)	\$ (6.7)	\$ 26.7	\$ 29.3
Net investment hedge contracts	\$ 145.5	\$ —	\$ (3.0)	\$ —	\$ 13.9	\$ —

Interest rate risk

The estimated fair value of our fixed interest rate debt is subject to interest rate risk, credit risk, and foreign currency risk. In addition, we also have variable interest rate debt outstanding (primarily SOFR-based), certain of which includes a fixed margin subject to the same risks identified for our fixed interest rate debt.

There were no cash flow designated or undesignated interest rate swap contracts or Pre-issuance hedge contracts outstanding as of May 31, 2025, or May 31, 2024.

We have performed a sensitivity analysis to estimate our exposure to market risk of interest rates reflecting the impact of a hypothetical 1% increase in the prevailing interest rates. The volatility of the applicable rates is dependent on many factors which cannot be forecasted with reliable accuracy.

The aggregate notional value, estimated fair value, and sensitivity analysis for our outstanding fixed-rate debt, including current maturities, are summarized as follows:

	Aggregate Notional Value		Fair Value, Net Asset (Liability)		Increase (Decrease) in Fair Value – Hypothetical 1% Rate Increase	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
(in millions)						
Fixed interest rate debt	\$ 11,258.1	\$ 11,165.7	\$ (10,440.2)	\$ (10,176.1)	\$ (521.7)	\$ (577.7)

A 1% hypothetical change in the prevailing interest rates would have increased interest expense on our variable interest rate debt by \$1.6 million and \$0.9 million for the three months ended May 31, 2025, and May 31, 2024, respectively.

For additional discussion on our market risk, refer to Notes 5 and 6.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure controls and procedures

Our Chief Executive Officer and our Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by this report, that the Company's "disclosure controls and procedures" (as defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) are effective to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal control over financial reporting

During our fiscal quarter ended May 31, 2025, we implemented a new consolidation system, OneStream, to support the financial statement close process. As a result of the implementation, certain existing internal controls were modified or removed, and new internal controls and procedures were designed and implemented to align with the new system. There are inherent risks in implementing any new system, and we will continue to evaluate these control changes as part of our assessment of internal control over financial reporting throughout Fiscal 2026.

In connection with the foregoing evaluation by our Chief Executive Officer and our Chief Financial Officer, other than the OneStream implementation noted above, no other changes were identified in the Company's "internal control over financial reporting" (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during our fiscal quarter ended May 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

On March 24, 2025, a purported stockholder of the Company filed a complaint in the United States District Court for the Western District of New York captioned *Silva v. Newlands, et al.*, Case No. 1:25-cv-254 (W.D.N.Y.); on April 21, 2025, a second purported stockholder of the Company filed a complaint in the United States District Court for the Western District of New York captioned *Mason v. Newlands, et al.*, Case No. 1:25-cv-00353 (W.D.N.Y.); and on June 24, 2025, a third purported stockholder of the Company filed a complaint in the United States District Court for the District of Delaware captioned *Wasserman v. Baldwin, et al.*, Case No. 1:25-cv-779 (D. Del.). These derivative complaints each seek to assert claims arising under the Exchange Act and state common law, derivatively on behalf of the Company, against current and former directors and officers of the Company. None of the plaintiffs made a pre-suit demand on our Board of Directors, instead each alleging that the pre-suit demand requirement should be excused as purportedly futile. The claims asserted in these derivative complaints arise from substantially the same allegations made in the complaint filed in the putative class action in the United States District Court for the Western District of New York captioned *Meza v. Constellation Brands, Inc., et al.*, Case No. 6:25-cv-6107 (W.D.N.Y.). On May 27, 2025, the United States District Court for the Western District of New York entered an order consolidating the *Silva* and *Mason* litigations and staying proceedings pending the entry of a final judgment in *Meza*.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
(in millions, except share and per share data)				
March 1 – 31, 2025 ⁽¹⁾	—	\$ —	—	\$ 1,489.9
April 1 – 30, 2025 ⁽²⁾	818,638	\$ 185.71	818,638	\$ 3,848.0
May 1 – 31, 2025 ⁽²⁾	816,080	\$ 188.75	816,080	\$ 3,693.9
Total	<u>1,634,718</u>	<u>\$ 187.23</u>	<u>1,634,718</u>	

⁽¹⁾ In November 2023, we announced that our Board of Directors authorized a repurchase of up to \$2.0 billion of our publicly traded common stock under the 2023 Authorization. The 2025 Authorization replaced the 2023 Authorization in its entirety and no further repurchases will be made pursuant to the 2023 Authorization.

⁽²⁾ In April 2025, we announced that our Board of Directors authorized the repurchase of up to \$4.0 billion of our publicly traded common stock under the 2025 Authorization. The 2025 Authorization expires on February 29, 2028. Share repurchases for the periods included herein were effected through open market transactions and exclude the impact of Federal excise tax owed pursuant to the IRA.

Subsequent to May 31, 2025, we repurchased 431,578 shares of Class A Stock pursuant to the 2025 Authorization at an average cost of \$173.78 per share through open market transactions made pursuant to a Rule 10b5-1 trading plan.

ITEM 5. OTHER INFORMATION.

10b5-1 Trading Plans

During the three months ended May 31, 2025, none of our directors or officers (as defined in Exchange Act Rule 16a-1(f)) adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS.

Exhibit No.	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of the Company.	8-K	3.1	November 10, 2022
3.2	Amended and Restated By-Laws of the Company.	8-K	3.2	November 10, 2022
4.1	Indenture, dated as of April 17, 2012, by and among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.1	April 23, 2012
4.1.1	Supplemental Indenture No. 9, with respect to 4.750% Senior Notes due 2025, dated as of December 4, 2015, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.1	December 8, 2015
4.1.2	Supplemental Indenture No. 10, dated as of January 15, 2016, among the Company, Home Brew Mart, Inc., and M&T, as Trustee.	10-K	4.26	April 25, 2016
4.1.3	Supplemental Indenture No. 11 with respect to 3.700% Senior Notes due 2026, dated as of December 6, 2016, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.1	December 6, 2016
4.1.4	Supplemental Indenture No. 13 with respect to 3.500% Senior Notes due 2027, dated as of May 9, 2017, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.2	May 9, 2017
4.1.5	Supplemental Indenture No. 14 with respect to 4.500% Senior Notes due 2047, dated as of May 9, 2017, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.3	May 9, 2017
4.1.6	Supplemental Indenture No. 19 with respect to 3.600% Senior Notes due 2028, dated as of February 7, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.2	February 7, 2018
4.1.7	Supplemental Indenture No. 20 with respect to 4.100% Senior Notes due 2048, dated as of February 7, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.3	February 7, 2018
4.1.8	Supplemental Indenture No. 22 with respect to 4.400% Senior Notes due 2025, dated as of October 29, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.2	October 29, 2018

Exhibit No.	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
4.1.9	Supplemental Indenture No. 23 with respect to 4.650% Senior Notes due 2028, dated as of October 29, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.3	October 29, 2018
4.1.10	Supplemental Indenture No. 24 with respect to 5.250% Senior Notes due 2048, dated as of October 29, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.4	October 29, 2018
4.1.11	Supplemental Indenture No. 25 with respect to 3.150% Senior Notes due 2029, dated as of July 29, 2019, among the Company, as Issuer, certain subsidiaries, as Guarantors, and M&T, as Trustee.	8-K	4.1	July 29, 2019
4.1.12	Supplemental Indenture No. 26 with respect to 2.875% Senior Notes due 2030, dated as of April 27, 2020, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.1	April 27, 2020
4.1.13	Supplemental Indenture No. 27 with respect to 3.750% Senior Notes due 2050, dated as of April 27, 2020, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.2	April 27, 2020
4.1.14	Supplemental Indenture No. 28 with respect to 2.250% Senior Notes due 2031, dated as of July 26, 2021, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.1	July 26, 2021
4.1.15	Supplemental Indenture No. 30 with respect to 4.350% Senior Notes due 2027, dated as of May 9, 2022, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.2	May 9, 2022
4.1.16	Supplemental Indenture No. 31 with respect to 4.750% Senior Notes due 2032, dated as of May 9, 2022, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.3	May 9, 2022
4.1.17	Supplemental Indenture No. 32 with respect to 5.000% Senior Notes due 2026, dated as of February 2, 2023, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.1	February 2, 2023
4.1.18	Supplemental Indenture No. 33 with respect to 4.900% Senior Notes due 2033, dated as of May 1, 2023, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.1	May 1, 2023
4.1.19	Supplemental Indenture No. 34 with respect to 4.800% Senior Notes due 2029, dated as of January 11, 2024, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.1	January 11, 2024
4.1.20	Supplemental Indenture No. 35 with respect to 4.800% Senior Notes due 2030, dated as of May 1, 2025, among the Company, as Issuer, and M&T, as Trustee.	8-K	4.1	May 1, 2025
4.2	Restatement Agreement, dated as of April 28, 2025, by and among the Company, CB International, Bank of America, N.A., as Administrative Agent, and the Lenders party thereto, including the Eleventh Amended and Restated Credit Agreement dated as of April 28, 2025, by and among the Company, CB International, Bank of America, N.A., as Administrative Agent, and the Lenders party thereto. †	8-K	4.1	April 28, 2025

Exhibit No.	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
4.3	Term Loan Credit Agreement, dated as of May 9, 2025, by and among the Company, Bank of America, N.A., as Administrative Agent, and the Lenders party thereto. †	8-K	4.1	May 9, 2025
10.1	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (awards on or after April 25, 2025) (filed herewith). *			
10.2	Form of Performance Share Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (awards on or after April 25, 2025) (filed herewith). **†			
10.3	Rules for Cash Incentive Awards under the Company's Long-Term Stock Incentive Plan (filed herewith). *			
10.4	Form of Executive Employment Agreement between the Company and certain of its Executive Officers (including Paula E. Erickson) (filed herewith). *			
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act (filed herewith).			
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act (filed herewith).			
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 (furnished herewith).			
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 (furnished herewith).			
99.1	Second Amendment, dated and effective April 25, 2025, to the Company's 1989 Employee Stock Purchase Plan (filed herewith). *			
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (filed herewith).			
101.SCH	XBRL Taxonomy Extension Schema Document (filed herewith).			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (filed herewith).			
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (filed herewith).			
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (filed herewith).			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (filed herewith).			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).			

- * Designates management contract or compensatory plan or arrangement.
- † The exhibits, disclosure schedules, and other schedules, as applicable, have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of such exhibits, disclosure schedules, and other schedules, as applicable, or any section thereof, to the SEC upon request.

The Company agrees, upon request of the SEC, to furnish copies of each instrument that defines the rights of holders of long-term debt of the Company or its subsidiaries that is not filed herewith pursuant to Item 601(b)(4)(iii)(A) because the total amount of long-term debt authorized under such instrument does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis.

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, thereunto duly authorized.

Date: July 2, 2025

CONSTELLATION BRANDS, INC.

By: /s/ Kenneth W. Metz
Kenneth W. Metz, Senior Vice President, Controller and Corporate Finance

Date: July 2, 2025

By: /s/ Garth Hankinson
Garth Hankinson, Executive Vice President and Chief Financial Officer (principal financial officer and principal accounting officer)

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

Name of Participant:

Grant Date:

Number of Restricted Stock Units:

Vesting Dates and Shares to Vest:

VEST DATE

SHARES

Earliest Retirement Date:

The first November 1st that is at least six months following the Grant Date

Constellation Brands, Inc. (the “Company”) hereby awards to the designated participant (the “Participant”), Restricted Stock Units under the Company's Long-Term Stock Incentive Plan, Amended and Restated as of July 18, 2017 (the “Plan”). The principal features of this Award are set forth above, including the date of grant of the Restricted Stock Units (the “Grant Date”). This Award shall be effective on the Grant Date. The Restricted Stock Units consist of the right to receive shares of Class A Common Stock, par value \$.01 per share, of the Company (“Shares”) and are subject to the provisions of the Terms and Conditions of the Agreement and the Appendix, if any (together, the “Agreement”).

PLEASE BE SURE TO READ ALL OF THE SPECIFIC TERMS AND CONDITIONS OF THE AGREEMENT. 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 TERMS AND CONDITIONS OF THIS AWARD OF RESTRICTED STOCK UNITS (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 AND THE APPENDIX, IF ANY, FOR MY COUNTRY OF RESIDENCE OR EMPLOYMENT, IF DIFFERENT). IF I FAIL TO ACCEPT THE TERMS AND CONDITIONS OF THIS AWARD WITHIN NINETY (90) DAYS OF THE GRANT DATE SET FORTH ABOVE, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AGREEMENT

1. **Award.** The Company hereby grants 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, an Award of Restricted Stock Units as of the Grant Date specified above, subject to all of the terms and conditions in the Agreement and the Plan.

2. **Vesting Schedule.** Any Restricted Stock Units that do not vest in accordance with this Section shall be forfeited and shall not be paid.

(a) **Service.** Except as otherwise provided under this Agreement, the Restricted Stock Units shall vest in accordance with the Vesting Dates (as set forth on the first page of this Agreement); provided, in each case, that the Participant remains in Continuous Service with the Company, any of its Subsidiaries, or any other entity which is a Related Entity (the "Employer") until such date. The Participant ceases to be in Continuous Service with the Employer on the date that the entity employing the Participant ceases to be a Subsidiary or an entity which is a Related Entity. For Participants based outside of the United States, the Participant ceases to be employed by the Employer on the later of (i) 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), or (ii) the date that is designated by the Employer as the last day of the Participant's employment with the Employer, and the date that the Participant ceases to be employed by the Employer specifically does not mean the expiration date for any period of reasonable notice that the Employer may be required at law to provide to the Participant. The first Vesting Date set forth on the first page of this Agreement is the "Initial Vesting Date," and the last Vesting Date set forth on the first page of this Agreement is the "Final Vesting Date."

(b) **Death or Disability.** If the Participant dies or incurs a RSU Disability (as defined below) while employed by the Employer prior to the Final Vesting Date, any Restricted Stock Units that have not vested prior to the date of the Participant's death or RSU Disability shall immediately vest. "RSU Disability" means 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.

(c) **Retirement.** If the Participant ceases to be in Continuous Service with the Employer prior to the Final Vesting Date as a result of the Participant's Retirement at any time on or after the Earliest Retirement Date (as set forth on the first page of this Agreement), any Restricted Stock Units that have not vested prior to the date of the Participant's Retirement, shall continue to vest according to the percentages and dates (as set forth on the first page of this Agreement). For purposes of this Agreement:

(i) "Retirement" means the Participant ceases to be in Continuous Service with the Employer for any reason other than Cause, death or disability (including but not limited to a RSU Disability) on or after the date the Participant attains Retirement Eligibility with respect to this Award;

(ii) "Retirement Eligibility" with respect to this Award means a Participant attaining either: (A) age fifty five (55) and completing ten (10) Full Years of Continuous Service with the Employer; or (B) age sixty (60) and completing five (5) Full Years of Continuous Service with the Employer; and

(iii) “Full Year” means a twelve-month period beginning on the date of the Participant's commencement of service for the Employer and each anniversary thereof.

The Participant's Continuous Service with the Employer shall be determined by the Committee in its sole discretion (subject to applicable requirements of Code Section 409A and the Treasury regulations and guidance issued thereunder (“Section 409A”), to the extent applicable).

(d) Leave of Absence. Unless otherwise determined by the Committee or required under Section 409A, 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 and shall not interrupt the Participant's Continuous Service with the Employer unless the Participant does not return at or before the end of the authorized leave or within the period for which reemployment is guaranteed by law or Rule.

(e) Change in Control. If the successor or purchaser in the Change in Control has assumed the Company's obligations with respect to the Restricted Stock Units or provided a substitute award as contemplated by Section 22 of the Plan and, within 24 months following the occurrence of the Change in Control, the Participant's employment is terminated without Cause or the Participant terminates employment for Good Reason, the Restricted Stock Units shall become fully vested immediately prior to such termination of employment.

3. Restrictive Covenants.

(a) The Participant agrees that (i) during the period of employment with the Company, its Subsidiaries, and/or any other entity which is a Related Entity (and its successors) (“Constellation” for purpose of this Section) and (ii) during any period of continued vesting following Retirement in accordance with the terms of this Agreement, the Participant will not, without the written consent of the Company, seek or obtain a position with a Competitor (as defined below) in which the Participant will use or is likely to use any confidential information or trade secrets of Constellation, or in which the Participant 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 the Participant for Constellation. The parties agree that the Participant may continue service on any boards of directors on which he or she is serving while employed by Constellation. If Participant's employment is terminated by the Participant for Good Reason or by Constellation for any reason other than Cause, then Constellation will not unreasonably withhold such consent provided Constellation receives information and assurances, satisfactory to Constellation, regarding the Participant's new position.

(b) The Participant understands and agrees that the relationship between Constellation and each of their respective employees constitutes a valuable asset of Constellation and may not be converted to the Participant's own use. Accordingly, the Participant hereby agrees that (i) during the period of employment with Constellation and (ii) during any period of continued vesting following Retirement in accordance with the terms of this Agreement, the Participant shall not directly or indirectly, on his or her own behalf or on behalf of another person, solicit or induce any employee to terminate his or her employment relationship with 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.

For the purposes of this Section, “Competitive Services” means the provision of goods or services that are competitive with any goods or services offered by Constellation including, but not limited to manufacturing, importing, exporting, distributing or selling cannabis, wine, beer, liquor or other

alcoholic beverages in the United States, Canada, New Zealand, Italy and/or Mexico. The parties acknowledge that Constellation 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 the Participant agrees that this provision 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. "Competitor" means any individual or any entity or enterprise engaged, wholly or in part, in Competitive Services.

(c) The Participant agrees that, due to his or her position of trust and confidence, the restrictions contained in this Section are reasonable, and the equity compensation conferred on the Participant in this Agreement is adequate consideration, and, since the nature of Constellation's collective business is international in scope, the geographic restriction herein is reasonable.

(d) The Participant acknowledges that a breach of this Section will cause irreparable injury and damage, which cannot be reasonably or adequately compensated by money damages. Accordingly, the Participant acknowledges that the remedies of injunction and specific performance shall be available in the event of such a breach, and the Company 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 shall be extended for a period of time equal to the duration of any breach or violation thereof.

(e) In the event of the Participant's breach of this Section, in addition to the injunctive relief described above, all unvested Restricted Stock Units held by the Participant shall be immediately forfeited on the date which the Participant breaches this Section unless terminated sooner by operation of another term or condition of this Agreement or the Plan, and any gain realized by the Participant from the vesting of any Restricted Stock Units, following such breach, shall be paid by the Participant to the Company.

(f) In the event that any provision of this Section 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 enforceable, it being acknowledged by the parties that the representations and covenants set forth herein are of the essence of this Agreement. Notwithstanding anything in this Agreement to the contrary, the post-employment restrictive covenants described in this Section above will not apply to this Award to the extent required under California law or other applicable law, as determined by the Company.

(g) **Trade Secrets and Confidential Information.** The Participant agrees that unless duly authorized in writing by the Company, the Participant will neither during his or her employment by Constellation nor at any time thereafter divulge or use in connection with any business activity other than that of Constellation any trade secrets or confidential information first acquired by the Participant during and by virtue of employment with Constellation. Notwithstanding the foregoing, nothing in this Agreement prohibits the Participant from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Securities and Exchange Commission, or making other disclosures that are protected under the whistleblower protections of federal law or regulation.

4. **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 Restricted Stock Units at any time; provided that, the time or schedule of any amount to be settled pursuant to the terms of this Agreement that provides for the deferral of compensation under Section 409A, may not be accelerated

except as otherwise permitted under Section 409A. If so accelerated, such Restricted Stock Units shall be considered as having vested as of the date specified by the Committee.

5. **Death of Participant.** Any distribution or delivery to be made to the Participant under the Agreement shall, if the Participant is then deceased, be made to the Participant's designated beneficiary, or if either no beneficiary survives the Participant 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 transferee 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 409A.** Notwithstanding any provision of this Agreement to the contrary, in the event that any delivery of Shares to the Participant is made upon, or as a result of the Participant's termination of employment (other than as a result of death), and the Participant is a "specified employee" (as that term is defined under Section 409A) at the time the Participant becomes entitled to delivery of such Shares, and provided further that the delivery of such Shares does not otherwise qualify for an applicable exemption from Section 409A, then no such delivery of such Shares shall be made to the Participant under this Agreement until the date that is the earlier to occur of: (i) the Participant's death, or (ii) six (6) months and one (1) day following the Participant's termination of employment (the "Delay Period"). For purposes of applying the provisions of Section 409A, each group of the total Restricted Stock Units granted hereunder that would normally vest on the Initial Vesting Date and each anniversary of the Initial Vesting Date thereafter shall be treated as a separate payment. For purposes of this Agreement, to the extent the Restricted Stock Units (or applicable portion thereof) are subject to the provision of Section 409A, the terms "ceases to be employed", "termination of employment" and variations thereof, as used in this Agreement, are intended to mean a termination of employment that constitutes a "separation from service" under Section 409A.

Restricted Stock Units are generally intended to be exempt from Section 409A as short-term deferrals and, accordingly, the terms of this Agreement shall be construed to preserve such exemption. To the extent that Restricted Stock Units granted under this Agreement are subject to the requirements of Section 409A, this Agreement shall be interpreted and administered in accordance with the intent that the Participant not be subject to tax under Section 409A. Neither the Company, any of its Subsidiaries nor any other entity which is a Related Entity, shall be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant might owe as a result of participation in the Plan, and the Company, its Subsidiaries nor any other entity which is a Related Entity shall have no obligation to indemnify or otherwise protect the Participant from the obligation to pay any taxes pursuant to Section 409A, unless otherwise specified.

7. **Settlement of Restricted Stock Units.**

(a) **Status as a Creditor.** Unless and until Restricted Stock Units have vested, the Participant will have no settlement right with respect to any Restricted Stock Units. Prior to settlement of any vested Restricted Stock Units, the vested Restricted Stock 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 Restricted Stock Units is subject to the claims of the Company's creditors.

(b) **Form and Timing of Settlement.** Restricted Stock Units will be settled in the form of Shares upon the vesting of the Restricted Stock Units. Where a fractional Share would be owed to the Participant upon the vesting of Restricted Stock Units, the Company may (1) round up the Shares that are

payable to the Participant to the nearest whole number, or (2) pay a cash payment equivalent in place of such fractional Share. 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 Restricted Stock Units. The Shares to be issued upon settlement will be issued as soon as practicable to the Participant following each Vesting Date; provided that:

(i) such Shares will be issued no later than the date that is two and a half (2.5) months from the end of the later of (1) the Participant's tax year that includes the Vesting Date, or (2) the Company's tax year that includes the Vesting Date; and

(ii) for any Restricted Stock Units for which the Vesting Date is after the date the Participant attains Retirement Eligibility and which would constitute a "deferral of compensation" under Section 409A, Shares will be issued:

(A) on the applicable Vesting Date;

(B) within thirty (30) days following a Separation from Service within 24 months of a Change in Control which triggers accelerated vesting in accordance with the terms of this Agreement; or

(C) in the event of a Participant's death or RSU Disability, within thirty (30) days of the date of death or RSU Disability.

(c) Clawback. Notwithstanding any provision to the contrary, any "clawback" or "recoupment" policy required under applicable law or provided for under Company policy shall automatically apply to this Award.

8. **Dividend Equivalents.** During the period beginning on the Grant Date and ending on the date that Shares are issued in settlement of vested Restricted Stock Units, the Participant will accrue dividend equivalents on the Restricted Stock Units equal to any cash dividend or cash distribution that would have been paid on the Restricted Stock Unit had that Restricted Stock Unit been an issued and outstanding Share of Class A Common Stock on the record date for the dividend or distribution. Such accrued dividend equivalents (1) will vest and become payable upon the same terms and at the same time of settlement as the Restricted Stock Unit to which they relate (and will be payable with respect to any Shares that are issued or that are withheld in order to satisfy Participant's Tax-Related Items), (2) will be denominated and payable solely in cash and paid in such manner as the Company deems appropriate, and (3) will not bear or accrue interest. Dividend equivalent payments, at settlement, will be net of applicable federal, state, local and foreign income and social insurance withholding taxes. Upon the forfeiture of the Restricted Stock Units, any accrued dividend equivalents attributable to such Restricted Stock Units will also be forfeited.

9. **Responsibility for Taxes & Withholding.** Regardless of any action the Company, any of its Subsidiaries or any other entity which is a Related Entity takes with respect to any or all income tax, social insurance or social security, payroll tax, fringe benefits 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, any of its Subsidiaries or any other entity which is a Related Entity, if any. The Participant further acknowledges that the Company, any of its Subsidiaries or any other entity which is a Related Entity (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or

settlement of the Restricted Stock Units, the issuance of Shares upon settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or dividend equivalents; and (2) 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 Grant Date and the date of any relevant taxable event, the Participant acknowledges that the Company, any of its Subsidiaries or any other entity which is a Related Entity may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

The Participant agrees as a condition of his or her participation in the Plan to make arrangements satisfactory to the Company, any of its Subsidiaries or any other entity which is a Related Entity (including the Employer) to satisfy all Tax-Related Items. In this regard, the Company, or their respective agents, will withhold Shares to be issued upon vesting/settlement of the Restricted Stock Units, unless the Company, or if different, the Employer, at their discretion, permit the obligations to be satisfied with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from the Participant's wages/salary or other cash compensation paid to the Participant by the Company, or if different, the Employer; or

(b) withholding from proceeds of the Shares acquired upon vesting/settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization).

Notwithstanding the above, if the Participant is a Section 16 officer of the Company under the U.S. Securities and Exchange Act of 1934, as amended, then the Company will withhold in Shares upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is problematic under applicable tax or securities law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items may be satisfied by one or a combination of methods (a) and (b) above.

Notwithstanding anything to the contrary in the Plan, the Participant shall not be entitled to satisfy any Tax-Related Item or withholding obligation that arises as a result of the Agreement by delivering to the Company any shares of capital stock of the Company. To avoid negative accounting treatment, the Company, any of its Subsidiaries or any other entity which is a Related Entity may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates (but not in excess of the maximum amount permitted for tax withholding under applicable law). If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares attributable to the vested Restricted Stock Units, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan.

The Participant shall pay to the Company, or if different, the Employer, any amount of Tax-Related Items that the Company, or if different, the Employer, may be required to withhold or account for as a result of the Participant's participation in the Plan that will not for any reason be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

By accepting this grant of Restricted Stock Units, the Participant expressly consents to the methods of withholding Tax-Related Items by the Company, or if different, the Employer as set forth

herein, including the withholding of Shares and the withholding from the Participant's wages/salary or other amounts payable to the Participant. All other Tax-Related Items related to the Restricted Stock Units and any Shares delivered in satisfaction thereof are the Participant's sole responsibility.

10. **Transferability.** The Participant shall have no right to sell, assign, transfer, pledge or otherwise encumber the Restricted Stock Units in any manner until the Shares are issued to the Participant upon settlement. Following settlement and issuance of Shares, in the event the Company permits the 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 notify the Participant in accordance with the terms of the Agreement. The Participant may only sell such Shares in compliance with such notification by the Company.

11. **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 Restricted Stock Units (whether vested or unvested) unless and until such Restricted Stock 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.

12. **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, to the extent permitted by the Plan.
 - (b) The grant of the Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of the Restricted Stock Units even if the Restricted Stock Units have been granted in the past.
 - (c) All determinations with respect to such future Restricted Stock Units, if any, including but not limited to, the times when the Restricted Stock Units shall be granted or when the Restricted Stock Units shall vest, will be at the sole discretion of the Committee.
 - (d) The Participant's participation in the Plan is voluntary.
 - (e) The future value of the Shares is unknown, indeterminable and cannot be predicted with certainty.
 - (f) 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 Restricted Stock Units or Shares, or from the application of any clawback or recoupment policy adopted by the Company or imposed by applicable law, and the Participant irrevocably releases the Company, any of its Subsidiaries or any other entity which is a Related Entity from any such claim that may arise.
 - (g) Neither the Plan nor the Restricted Stock Units shall be construed to create an employment relationship where any employment relationship did not otherwise already exist.
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(h) Nothing in the Agreement or the Plan shall confer upon the Participant any right to continue to be employed by the Employer or shall interfere with or restrict in any way the rights of the Employer, which are hereby expressly reserved, to terminate the employment of the Participant under applicable law.

(i) The transfer of the employment of the Participant between the Company, any one of its Subsidiaries or any other entity which is a Related Entity (or between such entities) shall not be deemed a termination of service.

(j) Nothing in the 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 Employer.

(k) 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.

(l) The Plan is operated and the Restricted Stock Units are granted solely by the Company and only the Company is a party to this Agreement; accordingly, any rights the Participant may have under this Agreement may be raised only against the Company but not any Subsidiary or affiliate of the Company (including, but not limited to, the Employer).

(m) No Subsidiary or affiliate of the Company (including, but not limited to, the Employer) has any obligation to make any payment of any kind to the Participant under this Agreement.

(n) In addition, the following provisions apply if the Participant is providing services outside the United States:

(i) The value of the Restricted Stock 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).

(ii) The Restricted Stock Units are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating termination, severance, resignation, redundancy, dismissal, end of service, or similar payments, or bonuses, long-service awards, holiday pay, pension or retirement benefits or welfare or similar payments.

(iii) The Participant acknowledges and agrees that neither the Company, any Subsidiary nor any other entity which is a Related Entity shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to the Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement.

(iv) The Company reserves the right to impose other requirements on participation in the Plan, on the Restricted Stock 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.

13. **Changes in Stock.** In the event of a change in the capital stock of the Company as set forth in Section 16 of the Plan, the Restricted Stock 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.

14. **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.

15. **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.

16. **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.

17. **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.

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

19. **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.

20. **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.

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 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.

22. **Compliance with Laws and Regulations; General Restrictions on Delivery of Shares.** The Participant understands that the vesting of the Restricted Stock Units under the Plan and the issuance, transfer, assignment, sale, or other dealings of the Shares shall be subject to compliance by the Company, any of its Subsidiaries or any other entity which is a Related Entity and the Participant with all applicable requirements under the laws and Rules of the country of which the Participant is a resident and/or employed. Furthermore, the Participant agrees that he or she will not acquire Shares pursuant to the Plan except in compliance with the laws and Rules of the country of which the Participant is a resident and/or employed.

The Company shall not be required to transfer or deliver any Shares, dividends, dividend equivalents 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 ensure 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 Units 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 Restricted Stock Units evidenced by the Agreement or the issuance, transfer or delivery of the Shares (or the payment of any dividends, dividend equivalents or other distributions related to the Shares), the Company shall not be required to transfer or deliver any Shares, dividends, dividend equivalents 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 **Authorization to Release and Transfer Necessary Personal Information.** *The Participant hereby explicitly and unambiguously consents to the collection, use, processing, and transfer, in electronic or other form, of his or her personal data by and among, as applicable, the Company, any of its Subsidiaries or any other entity which is a Related Entity for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Company, any of its Subsidiaries or any other entity which is a Related Entity may hold certain personal information about the Participant including, but not limited to, the Participant's name, home address, email address, and telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of Restricted Stock Units and/or Shares held and the details of all Restricted Stock Units or any other entitlement to Shares awarded, cancelled, vested, unvested or outstanding for the purpose of implementing, administering and managing the Participant's participation in the Plan (the "Data"). The Participant understands that the Data may be transferred to the Company, any of its Subsidiaries or any other entity which is a Related Entity, or to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country or elsewhere, and that any recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Company's Global Privacy Lead at privacy@cbrands.com. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan, including any requisite transfer of such Data to a broker or other third party assisting with the administration of Restricted Stock Units under the Plan or with whom Shares acquired pursuant to the vesting of the Restricted Stock Units or cash from the sale of such Shares may be deposited. Furthermore, the Participant acknowledges and understands that the transfer of the Data to the Company, any of its Subsidiaries or any other entity which is a Related Entity or to any third parties is necessary for his or her participation in the Plan. The Participant understands that the Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. The Participant understands that he or she may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein by contacting the Company's Global Privacy Lead at privacy@cbrands.com. The Participant further acknowledges that withdrawal of consent may affect his or her ability to vest in or realize benefits from the Restricted Stock Units, and his or her ability to participate in the Plan. For more information on the consequences of refusal to consent or*

withdrawal of consent, the Participant understands that he or she may contact the Company's Global Privacy Lead at privacy@cbrands.com.

Finally, upon request of the Employer, the Participant agrees to provide an executed data privacy consent form (or any other agreements or consents that may be required by the Employer) to the Employer that the Employer may deem necessary to obtain from the Participant for the purpose of administering the Participant's participation in the Plan in compliance with the data privacy laws in the Participant's country, either now or in the future. The Participant understands and agrees that the Participant will not be able to participate in the Plan if the Participant fails to provide any such consent or agreement requested by the Employer.

24 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 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 affected by a third party engaged by the Company to provide administrative services related to the Plan.

25 English Language. If the Participant is employed in a country where English is not an official language, the Participant acknowledges that the Participant is sufficiently proficient in English to understand the terms and conditions of this Agreement or have had the ability to consult with an advisor who is sufficiently proficient in the English language. The Participant further acknowledges and agrees that it is the Participant's express intent that this Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Plan be drawn up in English. If the Participant receives this Agreement, the Plan or any other documents related to the Plan translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control.

26 Appendix. Notwithstanding any provision of the Agreement to the contrary, this Restricted Stock Unit Award and the Shares acquired under the Plan shall be subject to any and all additional or different terms and provisions as set forth in the Appendix, if any, for the Participant's country of residence (and country of employment, if different). Further, if the Participant transfers his or her residence and/or employment to another country reflected in the Appendix to this Agreement, the additional or different terms and conditions for such country will apply to the Participant to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws or rules to facilitate the operation and administration of the Restricted Stock Units and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). Any applicable Appendix shall constitute part of this Agreement.

APPENDIX

In addition to the terms and conditions of the Constellation Brands, Inc. Long-Term Stock Incentive Plan, as Amended and Restated as of July 18, 2017 (the “Plan”) and the Agreement, the Participant's grant of Restricted Stock Units is subject to the following additional terms and conditions as set forth in this appendix (the “Appendix”). All defined terms as contained in this Appendix shall have the same meaning as set forth in the Plan and the Agreement.

CANADA

Resale Restriction. The Participant is permitted to sell the Shares acquired upon vesting through the designated broker appointed under the Plan, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of the stock exchange on which the shares are listed. The Shares are currently listed on the New York Stock Exchange.

Labor Law Information. For all purposes of this Agreement, and except as expressly required by applicable legislation, the Participant's employment or service relationship will terminate as of the earlier of: (1) the date upon which the Participant's employment with the Employer is terminated and (2) the date that the Participant receives written notice of termination of employment from the Employer, regardless of any period during which notice, pay in lieu of such notice or related payments or damages are required to be provided under local law (including, but not limited to statutory law, regulatory law and/or common law). For greater certainty, the Participant will not earn or be entitled to any pro-rated vesting for that portion of time before the date on which the Participant's right to vest terminates, nor will the Participant be entitled to any compensation for lost vesting.

Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, the Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate effective as of the last day of the Participant's minimum statutory notice period, but the Participant will not earn or be entitled to pro-rated vesting if the vesting date falls after the end of the Participant's statutory notice period, nor will the Participant be entitled to any compensation for lost vesting.

The following provisions apply to Participants in Quebec:

French Language Documents. A French translation of the Plan and the Agreement will be made available to the Participant as soon as reasonably practicable. The Participant understands that, from time to time, additional information related to the offering of the Plan might be provided in English and such information may not be immediately available in French. Notwithstanding anything to the contrary in the Agreement, and unless the Participant indicates otherwise, the French translation of the Plan and the Agreement will govern the Participant's Restricted Stock Unit and the Participant's participation in the Plan.

Documents en français. Une traduction en français du Plan et du Contrat sera mise à la disposition du Participant dès que raisonnablement possible. Le Participant comprend que, de temps à autre, des informations supplémentaires liées à l'offre du Plan peuvent être fournies en anglais et que ces informations peuvent ne pas être immédiatement disponibles en français. Nonobstant toute disposition contraire dans le Contrat, et à sauf indication contraire de la part du Participant, la traduction française du Plan et du Contrat régira le Droit sur des Actions assujetti à des Restrictions et la participation au Plan du Participant.

Data Privacy. The Participant hereby authorizes the Company and the Company's representatives to discuss and obtain all relevant information regarding the Restricted Stock Unit and the Participant's participation in the Plan from all personnel, professional or non-professional, involved with the administration of the Plan. The Participant further authorizes the Company, the Company's subsidiaries and affiliates, the administrator of the Plan and any third party brokers/administrators that are assisting the Company with the operation and administration of the Plan to disclose and discuss the Plan and the Participant's participation in the Plan with their advisors. The Participant further authorizes the Company and the Company's subsidiaries and affiliates to record information regarding the Restricted Stock Unit and the Participant's participation in the Plan and to keep such information in the Participant's file. The Participant acknowledges and agree that the Participant's personal information, including any sensitive personal information, may be transferred or disclosed outside the province of Quebec, including to the U.S. If applicable, the Participant also acknowledges and authorizes the Company, the Company's subsidiaries and affiliates, the administrator of the Plan and any third party brokers/administrators that are assisting the Company with the operation and administration of the Plan to use technology for profiling purposes and to make automated decisions that may have an impact on the Participant or the administration of the Plan.

ITALY

Plan Document Acknowledgment. By accepting the Restricted Stock Unit, the Participant acknowledges that he or she has received a copy of, and has reviewed the Plan and the Agreement, including this Appendix, in their entirety and fully understands and accepts all provisions of the Plan and the Agreement, including this Appendix.

The Participant further acknowledges that the Participant has read and specifically and expressly agrees to the following provisions of the Agreement: (Section 7) Settlement of Restricted Stock Units; (Section 9) Responsibility for Taxes & Withholding; (Section 12) Acknowledgments; (Section 17) Governing Law; (Section 22) Compliance with Laws and Regulations; General Restrictions on Delivery of Shares; (Section 23) Authorization to Release and Transfer Necessary Personal Information; (Section 24) Electronic Delivery and Execution; (Section 25) English Language; and (Section 26) Appendix.

Exchange Control Information. If the Participant holds investments abroad or foreign financial assets (e.g., cash, shares of stock, restricted stock units) that may generate income taxable in Italy, the Participant is required to report them on the Participant's annual tax returns (UNICO Form, RW Schedule) or on a special form if no tax return is due, irrespective of their value. The same reporting duties apply to the Participant if the Participant is a beneficial owner of the investments, even if the Participant does not directly hold investments abroad or foreign assets.

Data Privacy. This provision supplements Section 23 of the Agreement:

Notwithstanding Section 23, the Company hereby notifies the Participant that the collection, use, processing and transfer in electronic or other form of the Participant's Data in relation to the Company's award of the Restricted Stock Units shall be made in accordance with the Ruffino S.r.l., Employee Data Protection Notice, as updated from time to time.

MEXICO

Use of English Language. The parties acknowledge that it is their express wish that the present agreement, as well as all documents, notices and legal proceedings entered into, given or instituted

pursuant hereto or relating directly or indirectly hereto, be drawn up in English. As a convenience, the award agreement and other documents have been translated into Spanish. If the meaning of the translated version of any document or text is different than the English version, the English version will control. *Uso del idioma inglés. Las partes señalan que es su expreso deseo que el presente acuerdo, así como todos los documentos, comunicaciones y procedimientos judiciales en los que entren a ser parte, otorgados o instituidos a este respecto, o relacionados directa o indirectamente con el mismo, se redacten en inglés. Para su comodidad, el acuerdo de adjudicación y otros documentos han sido traducidos al español. Si el significado de la versión traducida de cualquier documento o texto no fuera el mismo que el de la versión inglesa, prevalecerá el significado de la versión inglesa.*

Labor Law Acknowledgement and Policy Statement. By accepting the Restricted Stock Units, the Participant acknowledges that Constellation Brands, Inc., with registered offices at 50 East Broad Street, Rochester, New York 14614, United States of America, is solely responsible for the administration of the Plan. The Participant further acknowledges his or her participation in the Plan, the grant of Restricted Stock Units and any acquisition of Shares under the Plan do not constitute an employment relationship between the Participant and the Company because the Participant is participating in the Plan on a wholly commercial basis and the Participant's sole employer is a Mexican legal entity ("Constellation-Mexico"). Based on the foregoing, the Participant expressly acknowledges that the Plan and the benefits that he or she may derive from participation in the Plan do not establish any rights between the Participant and his or her Employer, Constellation-Mexico, and do not form part of the employment conditions and/or benefits provided by Constellation-Mexico, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment.

The Participant further understands that his or her participation in the Plan is the result of a unilateral and discretionary decision of the Company, therefore, the Company reserves the absolute right to amend and/or discontinue the Participant's participation in the Plan at any time, without any liability to the Participant.

Finally, the Participant hereby declares that he or she does not reserve to himself/herself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and that the Participant therefore grants a full and broad release to the Company, its Subsidiaries, branches, representation offices, shareholders, officers, agents and legal representatives, with respect to any claim that may arise.

Securities Law Information. The Restricted Stock Units granted, and any Shares acquired, under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Agreement and any other document relating to the Restricted Stock Units may not be publicly distributed in Mexico. These materials are addressed to the Participant because of the Participant's existing relationship with the Company and any subsidiary or affiliate, and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of Constellation-Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

NEW ZEALAND

Securities Law Notice.

WARNING

This is an offer of Restricted Stock Units which, upon vesting and settlement in accordance with its terms, will be converted into Shares. Shares give the Participant a stake in the ownership of Constellation Brands. The Participant may receive a return if dividends are paid.

If the Company runs into financial difficulties and is wound up, the Participant will be paid only after all creditors and holders of preference shares have been paid. The Participant may lose some or all of his or her investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make informed decisions.

The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, the Participant may not be given all the information usually required. The Participant will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

The Shares are quoted on the New York Stock Exchange. This means that if the Participant acquires Shares under the Plan, the Participant may be able to sell them on the New York Stock Exchange if there are interested buyers. The price will depend on the demand for the Shares.

The Participant is entitled to receive, free of charge, a copy of Constellation Brands' latest annual report, financial statements and auditor's report if the Participant makes a request to the local Human Resources Department at Constellation Brands New Zealand's headquarters, 6/46 Maki Street, Westgate, Auckland 0814, New Zealand. The annual report and financial statements may be obtained from Constellation Brands' website at www.cbrands.com.

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

Name of Participant:

Grant Date:

Target Number of Performance Share Units:

Service Vesting Date:

Earliest Retirement Date:

The first November 1st that is at least six months following the Date of Grant

PSU Payment Period

Within the two-week period following the Service Vesting Date

Constellation Brands, Inc. (the “Company”) hereby awards to the designated participant (the “Participant”), the opportunity to receive the Performance Share Units described herein under the Company's Long-Term Stock Incentive Plan, Amended and Restated as of July 18, 2017 (the “Plan”). The principal features of this Award are set forth above, including the date of grant of the Performance Share Units (the “Grant Date”). This Award shall be effective on the Grant Date. The 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, the Participant will not receive any Performance Share Units unless specified service and performance requirements are satisfied. This Performance Share Unit Agreement is subject to the provisions of the Terms and Conditions of Performance Share Unit Agreement and the Appendix, if any (together, this “Agreement”) and terms of the Plan.

PLEASE BE SURE TO READ ALL OF THE SPECIFIC TERMS AND CONDITIONS OF THIS AGREEMENT. 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 TERMS AND CONDITIONS OF THIS AWARD 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 (INCLUDING ITS TERMS AND CONDITIONS AND THE APPENDIX, IF ANY, FOR MY COUNTRY OF RESIDENCE OR EMPLOYMENT, IF DIFFERENT). IF I FAIL TO ACCEPT THE TERMS AND CONDITIONS OF THIS AWARD WITHIN NINETY (90) DAYS OF THE GRANT DATE SET FORTH ABOVE, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

TERMS AND CONDITIONS OF PERFORMANCE SHARE UNIT AGREEMENT

1. Award. The Company hereby grants 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 as of the Grant Date specified above, 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. Any Performance Share Units that do not vest in accordance with this Section shall be forfeited and shall not be paid.

(a) Performance and service vesting requirements. Except as otherwise provided under this Agreement, 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 Service with the Company, any of its Subsidiaries, or any other entity which is a Related Entity (the "Employer") until the Service Vesting Date (as set forth on the first page of this Agreement) and the Company achieves the performance targets specified in Schedule A. The Participant ceases to be employed with the Employer on the date that the entity employing the Participant ceases to be a Subsidiary or an entity which is a Related Entity. For participants based outside of the United States, the Participant ceases to be employed by the Employer on the later of (i) 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) or (ii) the date that is designated by the Employer as the last date of the Participant's employment with the Employer, and the date the Participant's ceases to be employed by the Employer specifically does not mean the date on which any period of reasonable notice that the Employer may be required at law to provide to the Participant expires. If the Participant remains in Continuous Service with the Employer 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 Schedule A. Schedule A sets forth how the number of the Participant's vested Performance Share Units is calculated.

(b) Death or Disability. If the Participant dies or incurs a PSU Disability (as defined below) while employed by the Employer 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, provided that such Performance Share Units were not previously forfeited. A "PSU Disability" means 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.

(c) Retirement. If the Participant ceases to be in Continuous Service with the Employer prior to the Service Vesting Date as a result of the Participant's Retirement at any time on or after the Earliest Retirement Date (as set forth on the first page of this Agreement), the Participant shall be deemed to have met the service vesting requirements under this Agreement and shall be eligible to receive the full number of Performance Share Units to which the Participant would be entitled based on actual performance during the Valuation Period as described in the performance matrix set forth in Schedule A. For purposes of this Agreement:

(i) "Retirement" means the Participant ceases to be employed by the Employer for any reason other than Cause, death or disability (including but not limited to a PSU Disability) on or after the date the Participant attains Retirement Eligibility with respect to this Award;

(ii) "Retirement Eligibility" with respect to this Award means a Participant attaining either: (A) age fifty five (55) and completing ten (10) Full Years of Continuous Service with the Employer; or (B) age sixty (60) and completing five (5) Full Years of Continuous Service with the Employer; and

(iii) "Full Year" means a twelve-month period beginning on the date of the Participant's commencement of service for the Employer and each anniversary thereof.

The Participant's Continuous Service with the Employer shall be determined by the Committee in its sole discretion (subject to applicable requirements of Code Section 409A and the Treasury regulations and guidance issued thereunder ("Section 409A"), to the extent applicable).

(d) Leave of Absence. Unless otherwise determined by the Committee or required under Section 409A, an authorized leave of absence pursuant to a written agreement or other leave entitling the Participant to re-employment in a comparable position by law or Rule shall not constitute a termination of employment for purposes of the Plan and shall not interrupt the Participant's Continuous Service with the Employer 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.

(e) Change in Control. If the successor or purchaser in the Change in Control has assumed the Company's obligations with respect to the Performance Share Units or provided a substitute award as contemplated by Section 22 of the Plan and, within 24 months following the occurrence of the Change in Control, the Participant's employment is terminated without Cause or the Participant terminates employment for Good Reason, the Participant shall become vested in the Participant's Target Number of Performance Share Units or if a substitute award has been provided, a number of units in the successor company (or a subsidiary or affiliate of such successor company, as applicable) that is equal in value to the Participant's Target Number of Performance Share Units as of the effective date of the Change in Control; provided that such Performance Share Units or substitute award units were not previously forfeited.

3. Restrictive Covenants.

(a) The Participant agrees that (i) during the period of employment with the Company, its Subsidiaries, and/or any other entity which is a Related Entity (and its successors) ("Constellation" for purpose of this Section) and (ii) during any period of continued vesting following Retirement in accordance with the terms of this Agreement, the Participant will not, without the written consent of the Company, seek or obtain a position with a Competitor (as defined below) in which the Participant will use or is likely to use any confidential information or trade secrets of Constellation, or in which the Participant 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 the Participant for Constellation. The parties agree that the Participant may continue service on any boards of directors on which he or she is serving while employed by Constellation. If Participant's employment is terminated by the Participant for Good Reason or by Constellation for any reason other than Cause, then Constellation will not unreasonably withhold such consent provided Constellation receives information and assurances, satisfactory to Constellation, regarding the Participant's new position.

(b) The Participant understands and agrees that the relationship between Constellation and each of their respective employees constitutes a valuable asset of Constellation and may not be converted to the Participant's own use. Accordingly, the Participant hereby agrees that (i) during the period of employment with Constellation and (ii) during any period of continued vesting following Retirement in accordance with the terms of this Agreement, the Participant shall not directly or indirectly, on his or her own behalf or on behalf of another person, solicit or induce any employee to terminate his or her employment relationship with 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.

For the purposes of this Section, "Competitive Services" means the provision of goods or services that are competitive with any goods or services offered by Constellation including, but not limited to manufacturing, importing, exporting, distributing or selling cannabis, wine, beer, liquor or other alcoholic beverages in the United States, Canada, New Zealand, Italy and/or Mexico. The parties acknowledge that Constellation 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 the Participant agrees that this provision 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. "Competitor" means any individual or any entity or enterprise engaged, wholly or in part, in Competitive Services.

(c) The Participant agrees that, due to his or her position of trust and confidence, the restrictions contained in this Section are reasonable, and the equity compensation conferred on the Participant in this Agreement is adequate consideration, and, since the nature of Constellation's collective business is international in scope, the geographic restriction herein is reasonable.

(d) The Participant acknowledges that a breach of this Section will cause irreparable injury and damage, which cannot be reasonably or adequately compensated by money damages. Accordingly, the Participant acknowledges that the remedies of injunction and specific performance shall be available in the event of such a breach, and the Company 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 shall be extended for a period of time equal to the duration of any breach or violation thereof.

(e) In the event of the Participant's breach of this Section, in addition to the injunctive relief described above, all unvested Performance Share Units held by the Participant shall be immediately forfeited on the date which the Participant breaches this Section unless terminated sooner by operation of another term or condition of this Agreement or the Plan, and any gain realized by the Participant from the vesting of any Performance Share Units, following such breach, shall be paid by the Participant to the Company.

(f) In the event that any provision of this Section 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 enforceable, it being acknowledged by the parties that the representations and covenants set forth herein are of the essence of this Agreement. Notwithstanding anything in this Agreement to the contrary, the post-employment restrictive covenants described in this Section above will not apply to this Award to the extent required under California law or other applicable law, as determined by the Company.

(g) Trade Secrets and Confidential Information. The Participant agrees that unless duly authorized in writing by the Company, the Participant will neither during his or her employment by Constellation nor at any time thereafter divulge or use in connection with any business activity other than that of Constellation any trade secrets or confidential information first acquired by the Participant during and by virtue of employment with Constellation. Notwithstanding the foregoing, nothing in this Agreement prohibits the Participant from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Securities and Exchange Commission, or making other disclosures that are protected under the whistleblower protections of federal law or regulation.

4. 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 Performance Share Units at any time; provided that, the time or schedule of any amount to be settled pursuant to the terms of this Agreement that provides for the deferral of compensation under Section 409A, may not be accelerated except as otherwise permitted under Section 409A. 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 409A. Notwithstanding any provision of this Agreement to the contrary, in the event that any delivery of Shares to the Participant is made upon, or as a result of the Participant's termination of employment (other than as a result of death), and the Participant is a "specified employee" (as that term is defined under Section 409A) at the time the Participant becomes entitled to delivery of such Shares, and provided further that the delivery of such Shares does not otherwise qualify for an applicable exemption from Section 409A, then no such delivery of such Shares shall be made to the Participant under this Agreement until the date that is the earlier to occur of: (i) the Participant's death, or (ii) six (6) months and one (1) day following the Participant's termination of employment (the "Delay Period"). For purposes of this Agreement, to the extent the Performance Share Units (or equivalent units received following a Change in Control) are subject to the provision of Section 409A, the terms "ceases to be employed", "termination of employment" and variations thereof, as used in this Agreement, are intended to mean a termination of employment that constitutes a "separation from service" under Section 409A.

Performance Share Units are generally intended to be exempt from Section 409A as short-term deferrals and, accordingly, the terms of this Agreement shall be construed to preserve such exemption. To the extent that Performance Share Units granted under this Agreement are subject to the requirements of Section 409A, this Agreement shall be interpreted and administered in accordance with the intent that the Participant not be subject to tax under Section 409A. Neither the Company, any of its Subsidiaries nor any entity which is a Related Entity shall be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant might owe as a result of participation in the Plan, and the Company, its Subsidiaries nor any other entity

which is a Related Entity shall have no obligation to indemnify or otherwise protect the Participant from the obligation to pay any taxes pursuant to Section 409A, unless otherwise specified.

7. Settlement of Performance Share Units.

(a) Status as a Creditor. Unless and until Performance Share Units have vested and become payable, 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 and Timing 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, the Company may (1) round up the Shares that are payable to the Participant to the nearest whole number, or (2) pay a cash payment equivalent in place of such fractional Share. 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. The Shares to be issued upon settlement will be issued as soon as practicable to the Participant following the Service Vesting Date; provided that:

(i) such Shares shall be paid during the PSU Payment Period (as set forth on the first page of this Agreement), but payment shall only be made after the Committee completes a written certification with respect to this Award;

(ii) if the Participant dies or incurs a PSU Disability while employed by the Employer prior to the Service Vesting Date, the Participant's vested Performance Share Units shall be paid within thirty (30) days following the date of the Participant's death or PSU Disability; or

(iii) if the Participant's employment is terminated within 24 months of a Change in Control which triggers accelerated vesting in accordance with the terms of this Agreement, the Participant shall receive payment within thirty (30) days following the date of the Participant's termination of employment.

(c) Clawback. Notwithstanding any provision to the contrary, any "clawback" or "recoupment" policy required under applicable law or provided for under Company policy shall automatically apply to this Award.

8. Dividend Equivalents. During the period beginning on the Grant Date and ending on the date that Shares are issued in settlement of vested Performance Share Units, the Participant will accrue dividend equivalents on the Performance Share Units equal to any cash dividend or cash distribution that would have been paid on the Performance Share Unit had that Performance Share Unit been an issued and outstanding Share of Class A Common Stock on the record date for the dividend or distribution. Such accrued dividend equivalents (i) will vest and become payable upon the same terms and at the same time of settlement as the Performance Share Unit to which they relate (and will be payable with respect to any Shares that are issued or that are withheld in order to satisfy Participant's Tax-Related Items), (ii) will be denominated and payable solely in cash and paid in such manner as the Company deems appropriate, and (iii) will not bear or accrue interest. Dividend equivalent payments, at settlement, will be net of applicable federal, state, local and foreign income and social insurance withholding taxes. Upon the forfeiture of the Performance Share Units, any accrued dividend equivalents attributable to such Performance Share Units will also be forfeited.

9. Responsibility for Taxes & Withholding. Regardless of any action the Company, any of its Subsidiaries or any other entity which is a Related Entity takes with respect to any or all income tax, social insurance or social security, payroll tax, fringe benefits 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, any of its Subsidiaries or any other entity which is a Related Entity, if any. The Participant further acknowledges that the Company, any of its Subsidiaries or any other entity which is a Related Entity (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Share Units, including, but not limited to, the grant, vesting or settlement of the Performance Share Units, the issuance of Shares upon settlement of the Performance Share Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or dividend equivalents; and (2) 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 Grant Date and the date of any relevant taxable event, the Participant acknowledges that the Company, any of its Subsidiaries or any other entity which is a Related Entity may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

The Participant agrees as a condition of his or her participation in the Plan to make arrangements satisfactory to the Company, any of its Subsidiaries or any other entity which is a Related Entity (including the Employer) to satisfy all Tax-Related Items. In this regard, the Company, or their respective agents, will withhold Shares to be issued upon vesting/settlement of the Performance Share Units, unless the Company, or if different, the Employer, at their discretion, permit the obligations to be satisfied with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from the Participant's wages/salary or other cash compensation paid to the Participant by the Company, or if different, the Employer; or

(b) withholding from proceeds of the Shares acquired upon settlement of the Performance Share Units either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization).

Notwithstanding the above, if the Participant is a Section 16 officer of the Company under the U.S. Securities and Exchange Act of 1934, as amended, then the Company will withhold in Shares upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is problematic under applicable tax or securities law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items may be satisfied by one or a combination of methods (a) and (b) above.

Notwithstanding anything to the contrary in the Plan, the Participant shall not be entitled to satisfy any Tax-Related Item or withholding obligation that arises as a result of the Agreement by delivering to the Company any shares of capital stock of the Company. To avoid negative accounting treatment, the Company, any of its Subsidiaries or any other entity which is a Related Entity may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates (but not in excess of the maximum amount permitted for tax withholding under applicable law). If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares attributable to the vested Performance Share Units, notwithstanding that a number of Shares are held back

solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan.

The Participant shall pay to the Company, or if different, the Employer, any amount of Tax-Related Items that the Company, or if different, the Employer, may be required to withhold or account for as a result of the Participant's participation in the Plan that will not for any reason be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

By accepting this grant of Performance Share Units, the Participant expressly consents to the methods of withholding Tax-Related Items by the Company, or if different, the Employer as set forth herein, including the withholding of Shares and the withholding from the Participant's wages/salary or other amounts payable to the Participant. All other Tax-Related Items related to the Performance Share Units and any Shares delivered in satisfaction thereof are the Participant's sole responsibility.

10. Transferability. The Participant shall have no right to sell, assign, transfer, pledge or otherwise encumber the Performance Share Units in any manner until the Shares are issued to the Participant upon settlement. Following 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 notify the Participant in accordance with the terms this Agreement. The Participant may only sell such Shares in compliance with such notification by the Company.

11. 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.

12. 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, to the extent permitted by the Plan.

(b) The grant of the Performance Share Units is exceptional, 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 in the past.

(c) All determinations with respect to such 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 future value of the Shares is unknown, indeterminable and cannot be predicted with certainty.

(f) 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, or from the application of any clawback or recoupment policy adopted by the Company or imposed by applicable law, and the Participant irrevocably releases the Company, any of its Subsidiaries or any other entity which is a Related Entity from any such claim that may arise.

(g) 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.

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

(i) The transfer of the employment of the Participant between the Company, any one of its Subsidiaries or any other entity which is a Related Entity (or between such entities) shall not be deemed a termination of service.

(j) 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 Employer.

(k) 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.

(l) The Plan is operated and the Performance Share Units are granted solely by the Company and only the Company is a party to this Agreement; accordingly, any rights the Participant may have under this Agreement may be raised only against the Company but not any Subsidiary or affiliate of the Company (including, but not limited to, the Employer).

(m) No Subsidiary or affiliate of the Company (including, but not limited to, the Employer) has any obligation to make any payment of any kind to the Participant under this Agreement.

(n) In addition, the following provisions apply if the Participant is providing services outside the United States:

(i) 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).

(ii) 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, dismissal, end of service, or similar payments, or bonuses, long-service awards, holiday pay, pension or retirement benefits or welfare or similar payments.

(iii) The Participant acknowledges and agrees that neither the Company, any Subsidiary nor any other entity which is a Related Entity shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Performance Share Units or of any amounts due to the Participant pursuant to the settlement of the Performance Share Units or the subsequent sale of any Shares acquired upon settlement.

(iv) 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 laws 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.

13. Changes in Stock. In the event of a change in the capital stock of the Company as set forth in Section 16 of the Plan, 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.

14. 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.

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. 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 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.

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, any of its Subsidiaries or any other entity which is a Related Entity and the Participant with all applicable requirements under the laws and Rules of the country of which the Participant is a resident and/or employed. Furthermore, the Participant agrees that he or she will not acquire Shares pursuant to the Plan except in compliance with the laws and Rules of the country of which the Participant is a resident and/or employed.

The Company shall not be required to transfer or deliver any Shares, dividends, dividend equivalents 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 ensure 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, dividend equivalents or other distributions related to the Shares), the Company shall not be required to transfer or deliver any Shares, dividends, dividend equivalents 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. **Authorization to Release and Transfer Necessary Personal Information.** *The Participant hereby explicitly and unambiguously consents to the collection, use, processing, and transfer, in electronic or other form, of his or her personal data by and among, as applicable, the Company, any of its Subsidiaries or any other entity which is a Related Entity for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Company, any of its Subsidiaries or any other entity which is a Related Entity may hold certain personal information about the Participant including, but not limited to, the Participant's name, home address, email address and telephone number; date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of Performance Share Units and/or Shares held and the details of all Performance Share Units or any other entitlement to Shares awarded, cancelled, vested, unvested or outstanding for the purpose of implementing, administering and managing the Participant's participation in the Plan (the "Data"). The Participant understands that the Data may be transferred to the Company, any of its Subsidiaries or any other entity which is a Related Entity, or to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country or elsewhere, and that any recipient's country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Company's Global Privacy Lead at privacy@cbrands.com. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan, including any requisite transfer of such Data to a broker*

or other third party assisting with the administration of Performance Share Units under the Plan or with whom Shares acquired pursuant to the vesting of the Performance Share Units or cash from the sale of such Shares may be deposited. Furthermore, the Participant acknowledges and understands that the transfer of the Data to the Company, any of its Subsidiaries or any other entity which is a Related Entity or to any third parties is necessary for his or her participation in the Plan. The Participant understands that the Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. The Participant understands that he or she may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein by contacting the Company's Global Privacy Lead at privacy@cbrands.com. The Participant further acknowledges that withdrawal of consent may affect his or her ability to vest in or realize benefits from the Performance Share Units, and his or her ability to participate in the Plan. For more information on the consequences of refusal to consent or withdrawal of consent, the Participant understands that he or she may contact the Company's Global Privacy Lead at privacy@cbrands.com.

Finally, upon request of the Employer, the Participant agrees to provide an executed data privacy consent form (or any other agreements or consents that may be required by the Employer) to the Employer that the Employer may deem necessary to obtain from the Participant for the purpose of administering the Participant's participation in the Plan in compliance with the data privacy laws in the Participant's country, either now or in the future. The Participant understands and agrees that the Participant will not be able to participate in the Plan if the Participant fails to provide any such consent or agreement requested by the Employer.

24. 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 affected by a third party engaged by the Company to provide administrative services related to the Plan.

25. English Language. If the Participant is employed in a country where English is not an official language, the Participant acknowledges that the Participant is sufficiently proficient in English to understand the terms and conditions of this Agreement or have had the ability to consult with an advisor who is sufficiently proficient in the English language. The Participant further acknowledges and agrees that it is the Participant's express intent that this Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Plan be drawn up in English. If the Participant receives this Agreement, the Plan or any other documents related to the Plan translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control.

26. Appendix. Notwithstanding any provision of the Agreement to the contrary, this Performance Share Unit Award and the Shares acquired under the Plan shall be subject to any and all additional or different terms and provisions as set forth in the Appendix, if any, for the Participant's

country of residence (and country of employment, if different). Further, if the Participant transfers his or her residence and/or employment to another country reflected in the Appendix to this Agreement, the additional or different terms and conditions for such country will apply to the Participant to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws or rules to facilitate the operation and administration of the Performance Share Units and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). Any applicable Appendix shall constitute part of this Agreement.

APPENDIX

In addition to the terms and conditions of the Constellation Brands, Inc. Long-Term Stock Incentive Plan, as Amended and Restated as of July 18, 2017 (the “Plan”) and the Agreement, the Participant's grant of Performance Share Units is subject to the following additional terms and conditions as set forth in this appendix (the “Appendix”). All defined terms as contained in this Appendix shall have the same meaning as set forth in the Plan and the Agreement.

CANADA

Resale Restriction. The Participant is permitted to sell the Shares acquired upon vesting through the designated broker appointed under the Plan, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of the stock exchange on which the shares are listed. The Shares are currently listed on the New York Stock Exchange.

Labor Law Information. For all purposes of this Agreement, and except as expressly required by applicable legislation, the Participant's employment or service relationship will terminate as of the earlier of: (1) the date upon which the Participant's employment with the Employer is terminated and (2) the date that the Participant receives written notice of termination of employment from the Employer, regardless of any period during which notice, pay in lieu of such notice or related payments or damages are required to be provided under local law (including, but not limited to statutory law, regulatory law and/or common law). For greater certainty, the Participant will not earn or be entitled to any pro-rated vesting for that portion of time before the date on which the Participant's right to vest terminates, nor will the Participant be entitled to any compensation for lost vesting.

Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, the Participant's right to vest in the Performance Share Units under the Plan, if any, will terminate effective as of the last day of the Participant's minimum statutory notice period, but the Participant will not earn or be entitled to pro-rated vesting if the vesting date falls after the end of the Participant's statutory notice period, nor will the Participant be entitled to any compensation for lost vesting.

The following provisions apply to Participants in Quebec:

French Language Documents. A French translation of the Plan and the Agreement will be made available to the Participant as soon as reasonably practicable. The Participant understands that, from time to time, additional information related to the offering of the Plan might be provided in English and such information may not be immediately available in French. Notwithstanding anything to the contrary in the Agreement, and unless the Participant indicates otherwise, the French translation of the Plan and the Agreement will govern the Participant's Performance Share Unit and the Participant's participation in the Plan.

Documents en français. Une traduction en français du Plan et du Contrat sera mise à la disposition du Participant dès que raisonnablement possible. Le Participant comprend que, de temps à autre, des informations supplémentaires liées à l'offre du Plan peuvent être fournies en anglais et que ces informations peuvent ne pas être immédiatement disponibles en français. Nonobstant toute disposition contraire dans le Contrat, et à sauf indication contraire de la part du Participant, la traduction française du Plan et du Contrat régira le Droit sur des Actions lié à la Performance et la participation au Plan du Participant.

Data Privacy. The Participant hereby authorizes the Company and the Company's representatives to discuss and obtain all relevant information regarding the Performance Share Unit and the Participant's participation in the Plan from all personnel, professional or non-professional, involved with the administration of the Plan. The Participant further authorizes the Company, the Company's subsidiaries and affiliates, the administrator of the Plan and any third party brokers/administrators that are assisting the Company with the operation and administration of the Plan to disclose and discuss the Plan and the Participant's participation in the Plan with their advisors. The Participant further authorizes the Company and the Company's subsidiaries and affiliates to record information regarding the Performance Share Unit and the Participant's participation in the Plan and to keep such information in the Participant's file. The Participant acknowledges and agree that the Participant's personal information, including any sensitive personal information, may be transferred or disclosed outside the province of Quebec, including to the U.S. If applicable, the Participant also acknowledges and authorizes the Company, the Company's subsidiaries and affiliates, the administrator of the Plan and any third party brokers/administrators that are assisting the Company with the operation and administration of the Plan to use technology for profiling purposes and to make automated decisions that may have an impact on the Participant or the administration of the Plan.

ITALY

Plan Document Acknowledgment. By accepting the Performance Share Unit, the Participant acknowledges that he or she has received a copy of, and has reviewed the Plan and the Agreement, including this Appendix, in their entirety and fully understands and accepts all provisions of the Plan and the Agreement, including this Appendix.

The Participant further acknowledges that the Participant has read and specifically and expressly agrees to the following provisions of the Agreement: (Section 7) Settlement of Performance Share Units; (Section 9) Responsibility for Taxes & Withholding; (Section 12) Acknowledgments; (Section 17) Governing Law; (Section 22) Compliance with Laws and Regulations; General Restrictions on Delivery of Shares; (Section 23) Authorization to Release and Transfer Necessary Personal Information; (Section 24) Electronic Delivery and Execution; (Section 25) English Language; and (Section 26) Appendix.

Exchange Control Information. If the Participant holds investments abroad or foreign financial assets (e.g., cash, shares of stock, performance share units) that may generate income taxable in Italy, the Participant is required to report them on the Participant's annual tax returns (UNICO Form, RW Schedule) or on a special form if no tax return is due, irrespective of their value. The same reporting duties apply to the Participant if the Participant is a beneficial owner of the investments, even if the Participant does not directly hold investments abroad or foreign assets.

Data Privacy. This provision supplements Section 23 of the Agreement:

Notwithstanding Section 23, the Company hereby notifies the Participant that the collection, use, processing and transfer in electronic or other form of the Participant's Data in relation to the Company's award of the Performance Share Units shall be made in accordance with the Ruffino S.r.l., Employee Data Protection Notice, as updated from time to time.

MEXICO

Use of English Language. The parties acknowledge that it is their express wish that the present agreement, as well as all documents, notices and legal proceedings entered into, given or instituted

pursuant hereto or relating directly or indirectly hereto, be drawn up in English. As a convenience, the award agreement and other documents have been translated into Spanish. If the meaning of the translated version of any document or text is different than the English version, the English version will control. *Uso del idioma inglés. Las partes señalan que es su expreso deseo que el presente acuerdo, así como todos los documentos, comunicaciones y procedimientos judiciales en los que entren a ser parte, otorgados o instituidos a este respecto, o relacionados directa o indirectamente con el mismo, se redacten en inglés. Para su comodidad, el acuerdo de adjudicación y otros documentos han sido traducidos al español. Si el significado de la versión traducida de cualquier documento o texto no fuera el mismo que el de la versión inglesa, prevalecerá el significado de la versión inglesa.*

Labor Law Acknowledgement and Policy Statement. By accepting the Performance Share Units, the Participant acknowledges that Constellation Brands, Inc., with registered offices at 50 East Broad Street, Rochester, New York 14614, United States of America, is solely responsible for the administration of the Plan. The Participant further acknowledges his or her participation in the Plan, the grant of Performance Share Units and any acquisition of Shares under the Plan do not constitute an employment relationship between the Participant and the Company because the Participant is participating in the Plan on a wholly commercial basis and the Participant's sole employer is a Mexican legal entity ("Constellation-Mexico"). Based on the foregoing, the Participant expressly acknowledges that the Plan and the benefits that he or she may derive from participation in the Plan do not establish any rights between the Participant and his or her Employer, Constellation-Mexico, and do not form part of the employment conditions and/or benefits provided by Constellation-Mexico, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Participant's employment.

The Participant further understands that his or her participation in the Plan is the result of a unilateral and discretionary decision of the Company, therefore, the Company reserves the absolute right to amend and/or discontinue the Participant's participation in the Plan at any time, without any liability to the Participant.

Finally, the Participant hereby declares that he or she does not reserve to himself/herself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and that the Participant therefore grants a full and broad release to the Company, its Subsidiaries, branches, representation offices, shareholders, officers, agents and legal representatives, with respect to any claim that may arise.

Securities Law Information. The Performance Share Units granted, and any Shares acquired, under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Agreement and any other document relating to the Performance Share Units may not be publicly distributed in Mexico. These materials are addressed to the Participant because of the Participant's existing relationship with the Company and any subsidiary or affiliate, and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of Constellation-Mexico made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

NEW ZEALAND

Securities Law Notice.

WARNING

This is an offer of Performance Share Units which, upon vesting and settlement in accordance with its terms, will be converted into Shares. Shares give the Participant a stake in the ownership of Constellation Brands. The Participant may receive a return if dividends are paid.

If the Company runs into financial difficulties and is wound up, the Participant will be paid only after all creditors and holders of preference shares have been paid. The Participant may lose some or all of his or her investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make informed decisions.

The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, the Participant may not be given all the information usually required. The Participant will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

The Shares are quoted on the New York Stock Exchange. This means that if the Participant acquires Shares under the Plan, the Participant may be able to sell them on the New York Stock Exchange if there are interested buyers. The price will depend on the demand for the Shares.

The Participant is entitled to receive, free of charge, a copy of Constellation Brands' latest annual report, financial statements and auditor's report if the Participant makes a request to the local Human Resources Department at Constellation Brands New Zealand's headquarters, 6/46 Maki Street, Westgate, Auckland 0814, New Zealand. The annual report and financial statements may be obtained from Constellation Brands' website at www.cbrands.com.

**Rules for Cash Incentive Awards under the
Constellation Brands, Inc. Long-Term Stock Incentive Plan**

1. **Background.** This document describes the rules applicable to “Cash Incentive Awards” granted under Section 10 of the Constellation Brands, Inc. Long-Term Stock Incentive Plan, as Amended and Restated July 18, 2017 (the “Plan”), and shall be referred to as the Annual Management Incentive Program. The Committee adopts these rules pursuant to Section 2 of the Plan. Capitalized terms not specifically defined herein have the meanings specified in the Plan.
2. **Participation.** The Committee shall determine in writing who shall receive Awards. Individuals may be granted Awards at any time during a Performance Period provided that such addition occurs before December of the Performance Period. Payments under an Award shall be prorated based on the period of time worked during a Performance Period. An individual granted an Award has no vested or contractual right to the compensation provided herein. An individual who is designated as a Participant for a given Performance Period is not guaranteed or assured of being selected for participation in any subsequent Performance Period.
3. **Performance Metrics.** The Committee will establish in writing at the time or times that it deems appropriate an Award Schedule for each Award, including any target award level and any applicable range of performance (e.g., threshold, target and maximum levels).
4. **Determination of Awards.** Following the completion of the Performance Period, the Committee shall determine the extent to which the Performance Goals have been achieved. A Participant’s Award may be calculated by multiplying the Participant’s Salary by the Participant’s target award level and performance level (e.g., threshold, target, maximum, etc.) set forth in the Award Schedule with respect to each Performance Goal, and multiplying such amount by the percentage of the Award allocated to that Performance Goal under the Award Schedule. If the actual performance level falls between the designated levels of performance set forth in the Award Schedule, the percentage by which the Participant’s salary is multiplied may be interpolated. A similar calculation is performed for all of the Performance Goals, and the Participant’s total Award may be the sum of these calculations. The Committee may increase or decrease the amount to be paid under an Award in its sole discretion to adjust for events not considered when it determined the Performance Goals or to take into account individual performance.
5. **Payment of Awards.** The Committee shall approval the payment of Awards to Executive Officers. Payments shall in no event be made later than the 15th day of the third month following the end of the Performance Period.
6. **Termination of Employment.** Except as set forth below, in the event that a Participant terminates employment for any reason before the last day of the Performance Period, the Participant will forfeit all rights to an Award with respect to that Performance Period.

In the event of a Participant’s Retirement, Disability, death, or involuntary termination without Cause prior to the end of the Performance Period, the Company will pay a ratable portion of the Award that would have been paid to the Participant if the Participant had not terminated employment. Such Award, if any, will be paid at the same time Awards are paid to similarly situated Participants who do not terminate employment. The ratable portion of the Award shall be determined by multiplying the Award that would have been paid to the Participant if the Participant had not terminated employment by a fraction, the numerator of which is the number of full or partial months during the Performance Period during which the Participant was employed, and the denominator of which is the number of calendar months in the Performance Period.

In the event of a Participant's termination of employment on or after the last day of the Performance Period and before the payment date for any reason, the Committee will pay the Participant the Award that would have been paid to the Participant if the Participant had not terminated employment. Such Award, if any, will be paid at the same time Awards are paid to similarly situated Participants who do not terminate employment.

7. Effect of a Change in Control. In the event of a Change in Control, as defined under the Plan, the Performance Period shall end on the date of the Change in Control and the Performance Goals shall be adjusted to reflect the early termination of the Performance Period. If the Performance Goals, as adjusted, are deemed satisfied by the Committee, a Participant may receive a ratable portion of the Award that would have been paid if the Performance Period had not been terminated early and the Performance Goals had been satisfied. The ratable portion of the Award shall be determined by multiplying the original Award by a fraction with a numerator equal to the number of months from the first day of the Performance Period to the date of the Change in Control (including any fractional month) and a denominator equal to twelve.

8. No Right to Employment. Receiving an Award shall not confer upon any Participant any right to continued employment. The right to dismiss any employee with or without cause or notice is specifically reserved to the Company.

9. Withholding for Taxes. Payments under an Award shall be treated as supplemental wages when determining the amount of any federal or state taxes or other employment related withholdings required by law to be withheld with respect to such payments.

10. Definitions.

"Award" shall mean a Cash Incentive Award as defined under Section 10 of the Plan.

"Award Schedule" shall mean the documentation that sets forth the Performance Goals applicable to an Award(s) for a Performance Period, including any target award level and any applicable range of performance.

"Cause" means gross negligence or willful misconduct or commission of a felony or an act of moral turpitude determined by the Chief Executive Officer of the Company or the Board to be detrimental to the best interests of the Company or, such other definition set forth in a written employment agreement with the Company.

"Company" shall mean Constellation Brands, Inc. and its direct and indirect subsidiaries.

"Disability" means, unless the Committee specifies otherwise in a Participant's Award document, a termination of employment due to the inability of a Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than six months, all as verified by a physician acceptable to, or selected by, the Company.

"Performance Period" shall be the period commencing on March 1 and ending on the last day of February.

"Retirement" means a termination of employment of an employee who meets either of the following criteria: (a) is at least 55 years of age with at least 10 years of service with the Company; or (b) is at least

60 years of age with at least 5 years of service, in each case, other than when grounds exist for the employee's termination for Cause.

"Salary" shall mean the Participant's actual base compensation earned for the applicable Performance Period. Actual base compensation earned shall be determined exclusive of any other compensation such as equity or cash-settled awards or grants of any kind, any income related to equity or cash-settled awards (such as from stock option exercises, equity vesting events, dividends, or dividend equivalents), annual or one-time bonus awards, etc.

EXECUTIVE EMPLOYMENT AGREEMENT

This Agreement is made as of _____ between Constellation Brands, Inc., a Delaware corporation (“Constellation”), and _____ (“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 _____ 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 Executive’s position, to abide by the terms and conditions described in this Agreement and to devote substantially all of Executive’s 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 [28/29], 20__, provided that on February [28/29], 20__, 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 [28/29], 20__, 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 Executive a base salary at the rate of \$ _____ 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-incidental misappropriation of funds or property of Constellation by Executive; (b) unreasonable (and persistent) neglect or refusal by Executive to perform Executive’s duties as provided in Section 1 hereof and which Executive 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 Executive 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 Executive’s 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 Executive’s 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;
- (c) Constellation acts to change the principal geographic location of the performance of Executive’s duties to more than 50 miles from Executive’s principal place of business in _____, _____; or
- (d) 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 Executive's Base Salary as in effect on the Termination Date plus two (2) times Executive's 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 (provided, however, that solely for purposes of calculating the Previous Bonus, if Executive was not employed by Constellation for the three most recently completed fiscal years and therefore did not receive an annual cash bonus for any of the three most recently completed fiscal years, then the Executive's target annual cash bonus amount as of the Termination Date shall be used as the annual cash bonus paid to the Executive for any year that the Executive did not receive an annual cash bonus); 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 (45th) 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 (45th) 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 as provided by the Company in a form similar to that at 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 Executive's 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 Executive ceases employment, Executive 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 Executive 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 Executive's employment hereunder and (ii) for a period of twelve months (12) months after Executive ceases employment, Executive shall not directly or indirectly, on Executive's own behalf or on behalf of another person, solicit or induce any employee to terminate Executive's 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 cannabis, 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 Executive's position of trust and confidence, the restrictions contained in this Section 8 are reasonable, and the benefits conferred on Executive in this Agreement, including Executive's 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, Executive 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. Notwithstanding anything in this Agreement to the contrary, the post-employment restrictive covenants described in this Section above will not apply to the extent required under California law or other applicable law, as determined by the Company.

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, Executive will neither during Executive's 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 Executive during and by virtue of Executive's employment with Constellation or its affiliates. Executive acknowledges that this Agreement does not prohibit Executive from filing a charge with, communicating with, or participating in any investigation or proceeding conducted by any

federal, state, or local governmental agency or entity, including the Equal Employment Opportunity Commission and the Securities and Exchange Commission.

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 Executive's 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 Executive's 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 Executive's 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 Executive's death to Executive's estate or beneficiaries through Executive's 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]

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

CONSTELLATION BRANDS, INC.

By: _____
Name: [Name]
Title: [Title]

[Name]

Exhibit A

FULL AND FINAL RELEASE OF CLAIMS

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. ("Company") and _____ (hereinafter referred to as "Executive"), which is attached hereto and forms a part of this Full and Final Release of Claims ("Agreement"), the Company and the Executive mutually desire to enter into this Agreement and hereby agree as follows:

1. Executive hereby acknowledges and agrees that _____ was Executive's last day of employment at the Company (the "Termination Date").
2. Executive was offered twenty-one (21) calendar days to consider this Agreement and to decide whether or not Executive wants to sign it. Executive agrees that any requests to modify, or modifications, material or otherwise, made to this Agreement, do not restart or affect in any manner the original twenty-one (21) calendar day consideration period.
3. This Agreement may not be signed and returned by Executive until AFTER Executive's Termination Date with the Company.
4. Executive has been advised to consult with an attorney of Executive's choice concerning this Agreement because Executive is giving up significant rights. Executive acknowledges that Executive has been so advised.
5. Executive has carefully considered other alternatives to executing this Agreement and Executive has decided to sign it.
6. Executive is entitled to change Executive's mind and revoke this Agreement within seven (7) calendar days after Executive signs it. This Agreement will not become effective and Executive will not be eligible to receive the payments or benefits set out in Sections 6(b)-(d) of the Employment Agreement until the 8th day after Executive signs it without revoking it. To revoke this Agreement, Executive agrees to deliver a letter signed by Executive by the end of the applicable seven (7) calendar day revocation period to Constellation Brands, Inc., Attn: Chief Legal Officer, 50 East Broad St., Rochester, New York, 14614, or via e-mail at CBILegal@cbrands.com.
7. In consideration for Executive timely signing and not revoking this Agreement, the Company agrees to make the payments and provide the benefits set forth in Sections 6(b)-(d) of the Employment Agreement and make such payments during the time periods set forth therein. The lump sum payable under Sections 6(b) of the Employment Agreement is \$_____, as calculated in Exhibit 1 to this Agreement. The Company and Executive expressly agree that the Company is not otherwise obligated to make the payments or provide the benefits described in Sections 6(b)-(d) of the Employment Agreement in the absence of this Agreement; that Executive is not otherwise entitled to receive the payments or benefits set forth in in Sections 6(b)-(d) of the Employment Agreement in the absence of this Agreement; and that, if Executive does not sign this Agreement or, after signing it, revokes Executive's signature as provided herein, or breaches any of its provisions (including the non-disparagement provision set forth herein), then the Company shall have no further obligations to Executive under this Agreement and will not make the payments or provide the benefits in Sections 6(b)-(d) of the Employment Agreement, or, if applicable, Executive shall return to the

Company the severance payments and the costs of the benefits previously provided to the Executive pursuant to Sections 6(b)-(d) of the Employment Agreement.

8. In consideration for the payments and benefits set forth in Sections 6(b)-(d) of the Employment Agreement, Executive, on behalf of Executive, heirs, administrators and assigns, hereby releases and forever discharges the Company, its past, present and future subsidiaries and affiliates and each of its and their past, present and future respective officers, directors, employees, servants and agents, and their successors and assigns, (hereinafter collectively referred to as "Company 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 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 the Company Released Parties and the termination of that employment; provided, however, nothing in this Agreement releases: (i) Executive's vested benefits under the Company's pension plans or rights under any existing stock options held by Executive; or (ii) 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 the Company (the items in the foregoing clauses (i) through (ii) are hereinafter referred to as the "Preserved Rights").
- a. This Agreement releases, 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 Executive's employment by the Company Released Parties. This Agreement releases, 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 Agreement releases 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 the Company Released Parties, or any of them, committed or omitted prior to the effective date of this Agreement.
- b. This Agreement releases any claims based on any local, state, or federal constitution, statute, rule, or regulation, and any claims based on, but not limited to, the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, Sections 1981 through 1988 of Title 42 of the United States Code, the Americans with Disabilities Act of 1990, the Employee Retirement Income Security Act of 1974, the Family and Medical Leave Act, the Equal Pay Act, the Pregnancy Discrimination Act, the Rehabilitation Act of 1973, the Worker Adjustment and Retraining Notification Act, the Occupational Safety and Health Act, the Genetic Information Non-discrimination Act, the Uniformed Services Employment and Reemployment Rights Act, the Immigration Reform and Control Act, the Fair Credit Reporting Act, the Illinois Human Rights Act, the Illinois

Whistleblower Act, the Illinois Personnel Record Review Act, the Illinois Right to Privacy in the Workplace Act, the Illinois Equal Pay Act, the Illinois Sales Representation Act, the Illinois Wages of Women and Minors Act, the Illinois Family Military Leave Act, the Illinois Victims' Economic Security and Safety Act, the Illinois Biometric Privacy Act, and waivable claims under the Illinois Wage Payment and Collection Act, the Genetic Information Nondiscrimination Act, the Immigration Reform and Control Act, the New York State Human Rights Law, the New York Labor Law (including but not limited to the Retaliatory Action by Employers Law, the New York State Worker Adjustment and Retraining Notification Act, all provisions prohibiting discrimination and retaliation, and all provisions regulating wage and hour law and paid sick leave requirements), and the New York Civil Rights Law, Section 125 of the New York Workers' Compensation Law, Article 23-A of the New York Correction Law, all as amended, _____.

- c. This Agreement does not, however, release any rights Executive may have to workers' compensation or unemployment insurance benefits, any rights with regard to vested benefits under ERISA, any other rights that cannot lawfully be waived, or any rights Executive may have under this Agreement. Executive understands that this Agreement does not prohibit, prevent or otherwise limit Executive from filing a charge or complaint with, communicating with, or participating testifying, or assisting in any investigation, hearing or proceeding conducted by any federal, state, or local governmental agency or entity, including the Equal Employment Opportunity Commission, the Illinois Department of Human Rights, the Securities and Exchange Commission ("Government Agencies"), nor does anything in this Agreement preclude, prohibit or otherwise limit, in any way, Executive's rights and abilities to contact, communicate with or report unlawful conduct or employment practices and/or criminal conduct or provide documents, to federal, state, or local officials for investigation or participate in any whistleblower program administered by any such Government Agencies. Executive specifically acknowledges and agrees, however, that although Executive may file such a charge or participate in an investigation or proceeding by a Government Agency, by signing this Agreement, Executive has waived and released, to the fullest extent permitted by law, any monetary damages in connection with any such charge, investigation, or proceeding except for those pertaining to whistleblower programs. In addition, nothing in this Agreement prohibits Executive from making any other disclosures that are protected under the whistleblower provisions of federal or state laws and applicable regulations and Executive is not required to notify or obtain permission from the Company when filing a governmental whistleblower charge or complaint or engaging or participating in protected whistleblower activity. Moreover, nothing in this Agreement prohibits or prevents Executive from receiving individual monetary awards or other individual relief by virtue of participating in such governmental whistleblower programs.
- d. Executive agrees that, with respect to any claim released by this Agreement, Executive waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding in which the Company or any other of the Company Released Parties identified in this Agreement is a party.
- e. Age discrimination claims are specifically intended to be included as released claims against the Company Released Parties. Executive specifically intends that this Agreement shall include a complete release of all claims under the Age Discrimination in Employment Act of 1967 (29 U.S.C. §§ 621 et seq.), as amended by the Older Workers' Benefit Protection Act of 1990, and its implementing regulations (hereinafter collectively "ADEA"), except for any allegation that a breach of the ADEA occurred following the effective date of this Agreement.

Nothing in this Agreement releases unlawful employment practices that accrue after the effective date of this Agreement. In addition, Executive agrees and acknowledges that additional consideration has been provided by the Company (beyond that which would have otherwise been provided) in order to effect a valid waiver of Executive's claims under the ADEA.

- f. Executive understands and agrees that the giving of the aforementioned consideration is deemed to be no admission of liability on the part of the Company Released Parties.
 - g. 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 Company Released Parties for or by reason of any cause, matter or thing other than a Preserved Right, this Agreement may be raised as a complete bar to any such claim, demand or action.
9. Executive affirms that Executive has returned to the Company, without copying or otherwise reproducing, all Company property, proprietary documents and materials in Executive's possession or control. Such documents and materials include, without limitation, all Company proprietary publications, correspondence, notes and notebooks, drawings, prints, photographs, tape recordings, and other electronic, written, typed, printed or recorded materials to which Executive had access or which Executive developed for the Company during the course of employment with the Company. Executive also affirms that Executive is in possession of all of Executive's property that Executive had at the Company's premises and that the Company is not in possession of any of Executive's property.
10. Executive affirms that no promise, inducement, or agreement not expressed in this Agreement has been made, that any prior agreement between the parties regarding the subject matter herein is hereby extinguished, and that this Agreement contains the entire understanding and agreement of the parties related to the subject matter hereof. Notwithstanding the foregoing, Executive acknowledges and confirms that the Trade Secrets and Confidential Information and the Restrictive Covenant Sections of Executive's Employment Agreement remain in full force and effect.
11. Except as provided for in this Agreement, Executive agrees that Executive has received all compensation to which Executive is entitled for services provided to the Company up to and including the Termination Date, and Executive agrees not to make any claims for further compensation of any type, including, but not limited to, claims for wages or salary, profit sharing, incentive compensation, deferred compensation, business expenses, pension or retirement contributions or benefits, or sick pay, holiday pay, or vacation pay. Executive also affirms Executive has been reimbursed for all necessary expenses or losses by following the Company's directions/policies or incurred by Executive within the scope of Executive's employment. Executive affirms that Executive has been granted any leave to which Executive was entitled under the Family and Medical Leave Act and state and local leave and disability accommodation laws.
12. Except as provided herein, Executive confirms that prior to the execution of this Agreement, Executive has not revealed its terms to any third parties. Executive agrees to keep this Agreement confidential and not to reveal its existence or contents to anyone except Executive's attorney, immediate family, tax/financial consultant, and/or to any federal, state or local government agency. In the case of Executive's attorney, immediate family, tax/financial consultant, Executive agrees that Executive must advise these individuals to keep this Agreement and its terms confidential. Nothing in this Agreement has the purpose or effect of preventing Executive from discussing, disclosing or otherwise making truthful disclosures about alleged unlawful conduct or employment practices in the

workplace, such as harassment or discrimination or any other conduct that the Executive has reason to believe is unlawful. This confidentiality provision is the documented preference of Executive and is mutually beneficial to both parties.

13. Executive affirms that Executive has not filed, caused to be filed, or presently is a party to any claim against the Company. Unless compelled to do so by law or otherwise permitted by this Agreement, Executive shall not encourage or assist any third party to bring or pursue any claim against the Company.
14. Executive affirms that Executive has no known workplace injuries or occupational diseases.
15. Executive affirms that Executive has not reported internally to the Company any allegations of material corporate wrongdoing by the Company or its officers, including any allegations of corporate fraud, and Executive has not been retaliated against for reporting any such allegations internally to the Company.
16. The parties acknowledge Executive's rights to make truthful statements or disclosures required by law, regulation, or legal process and to request or receive confidential legal advice, and nothing in this Agreement shall be deemed to impair those rights.
17. Executive agrees to refrain from making false statements that are maliciously disparaging or defamatory about the Company, its products/services, its employees, and/or the Company's customers, suppliers, or vendors, including but not limited to communications on social media websites such as Facebook, Twitter, LinkedIn, Glassdoor on blogs, by text or email or other electronic means. Provided however, this Section does not in any way restrict or impede the Executive from making truthful statements about the terms or conditions of Executive's employment; discussing, disclosing or otherwise making truthful disclosures about alleged unlawful conduct in the workplace; from exercising Executive's rights under the National Labor Relations Act, government whistleblower programs, or whistleblowing statutes or regulations; initiating, testifying, assisting, complying with a subpoena from, or participating in any manner with an investigation conducted by a local, state, or federal agency; filing or disclosing any facts necessary to receive unemployment insurance, Medicaid, or other public benefits; exercising protected rights to the extent that such rights cannot be waived by agreement; or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency requiring the disclosure of information regarding the negotiations or terms of this Agreement, provided that such compliance does not exceed what is required by the law, regulation, or order. Further, this Section does not in any way restrict or impede the Executive from speaking with law enforcement, the Equal Employment Opportunity Commission, the Illinois Department of Human Rights, any local commission on human rights, or an attorney retained by the Executive regarding factual information related to claims of discrimination occurring after the effective date of this Agreement.
18. If any term or provision of this Agreement is declared invalid by a court of competent jurisdiction in a final ruling from which no appeal is taken, the remaining provisions of this Agreement will be unimpaired, and the invalid or unenforceable provision will be replaced with a provision that is valid and enforceable and that comes closest to the parties' intention underlying the invalid or unenforceable provision.
19. This Agreement shall be governed and conformed in accordance with the laws of the State of _____, without regard to its conflict of laws provision. In the event of a breach of any provision of

this Agreement, either party may institute an action specifically to enforce any term or terms of this Agreement and/or to seek any damages for breach.

20. This Agreement may not be modified, altered or changed except in writing and signed by both parties wherein specific reference is made to this Agreement.
21. This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. Delivery of an executed signature page to the Agreement by email or delivery of a “.pdf” format data file, or via DocuSign (or another mutually acceptable electronic signature method) shall be as effective as delivery of a manually signed counterpart of this Agreement.
22. If Executive violates this Agreement by suing the Company or those associated with the Company, Executive agrees that Executive will pay all costs and expenses incurred by the Company, or by any of the Company Released Parties in defending against the suit, including reasonable attorney’s fees. Executive also agrees to indemnify and hold harmless the Company, including payment of the Company’s reasonable attorney’s fees and expenses, for any breach by Executive of this Agreement.

BY SIGNING THIS AGREEMENT, EXECUTIVE ACKNOWLEDGES, REPRESENTS AND AGREES THAT: EXECUTIVE HAS READ IT; EXECUTIVE UNDERSTANDS IT AND KNOWS THAT EXECUTIVE IS GIVING UP IMPORTANT RIGHTS; EXECUTIVE AGREES WITH EVERYTHING IN IT; EXECUTIVE WAS TOLD, IN WRITING, TO CONSULT AN ATTORNEY BEFORE SIGNING IT; EXECUTIVE WAS OFFERED 21 DAYS TO REVIEW THE AGREEMENT AND TO THINK ABOUT WHETHER OR NOT TO SIGN IT; EXECUTIVE HAS SIGNED IT KNOWINGLY AND VOLUNTARILY; AND EXECUTIVE UNDERSTANDS EXECUTIVE HAS SEVEN (7) CALENDAR DAYS AFTER SIGNING THIS AGREEMENT TO REVOKE EXECUTIVE’S SIGNATURE AND THAT IF EXECUTIVE DOES NOT REVOKE, THIS AGREEMENT BECOMES EFFECTIVE, ENFORCEABLE, AND IRREVOCABLE ON THE 8TH DAY AFTER SIGNATURE.

EXHIBIT 1

*** Signature Page Follows ***

IN WITNESS WHEREOF, Executive has hereunto executed this Full and Final Release of Claims by affixing [his/her] hand this ____ day of _____, 20__ in the presence of the witness whose signature is subscribed below.

[Name]

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

**RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF CHIEF EXECUTIVE OFFICER**

**Constellation Brands, Inc.
Form 10-Q for Fiscal Quarter Ended May 31, 2025**

I, William A. Newlands, certify that:

1. I have reviewed this report on Form 10-Q of Constellation Brands, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
-

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 2, 2025

/s/ William A. Newlands

William A. Newlands

President and

Chief Executive Officer

**RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF CHIEF FINANCIAL OFFICER**

**Constellation Brands, Inc.
Form 10-Q for Fiscal Quarter Ended May 31, 2025**

I, Garth Hankinson, certify that:

1. I have reviewed this report on Form 10-Q of Constellation Brands, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
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(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 2, 2025

/s/ Garth Hankinson

Garth Hankinson

Executive Vice President and
Chief Financial Officer

**SECTION 1350 CERTIFICATION
OF CHIEF EXECUTIVE OFFICER**

**Constellation Brands, Inc.
Form 10-Q for Fiscal Quarter Ended May 31, 2025**

In connection with the Constellation Brands, Inc. Quarterly Report on Form 10-Q for the Fiscal Quarter Ended May 31, 2025, I, William A. Newlands, certify pursuant to 18 U.S.C. Section 1350 that, to the best of my knowledge:

1. The Quarterly Report on Form 10-Q for the Fiscal Quarter Ended May 31, 2025 of Constellation Brands, Inc. fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. The information contained in the periodic report on Form 10-Q for the Fiscal Quarter Ended May 31, 2025 of Constellation Brands, Inc. fairly presents, in all material respects, the financial condition and results of operations of Constellation Brands, Inc.

Dated: July 2, 2025

/s/ William A. Newlands

William A. Newlands
President and
Chief Executive Officer

**SECTION 1350 CERTIFICATION
OF CHIEF FINANCIAL OFFICER**

**Constellation Brands, Inc.
Form 10-Q for Fiscal Quarter Ended May 31, 2025**

In connection with the Constellation Brands, Inc. Quarterly Report on Form 10-Q for the Fiscal Quarter Ended May 31, 2025, I, Garth Hankinson, certify pursuant to 18 U.S.C. Section 1350 that, to the best of my knowledge:

1. The Quarterly Report on Form 10-Q for the Fiscal Quarter Ended May 31, 2025 of Constellation Brands, Inc. fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. The information contained in the periodic report on Form 10-Q for the Fiscal Quarter Ended May 31, 2025 of Constellation Brands, Inc. fairly presents, in all material respects, the financial condition and results of operations of Constellation Brands, Inc.

Dated: July 2, 2025

/s/ Garth Hankinson

Garth Hankinson
Executive Vice President and
Chief Financial Officer

SECOND AMENDMENT
TO THE
CONSTELLATION BRANDS, INC.
1989 EMPLOYEE STOCK PURCHASE PLAN
(AS AMENDED AND RESTATED JULY 24, 2013)

WHEREAS, Constellation Brands, Inc. (the "Company") maintains the Constellation Brands, Inc. 1989 Employee Stock Purchase Plan, as amended and restated July 24, 2013, as amended by the First Amendment to the Constellation Brands, Inc. 1989 Employee Stock Purchase Plan, dated April 25, 2016 (collectively, the "Plan"), for the benefit of eligible employees of the Company and its affiliates; and

WHEREAS, amendment of the retirement provisions of the Plan are now considered desirable;

NOW, THEREFORE, pursuant to the power reserved to the Committee under Section 17 of the Plan, the Plan is hereby amended, effective as of April 25, 2025 in the following particulars:

1. By deleting the first sentence of Section 2.21 in its entirety and replacing it with the following:

"'Retirement' shall mean the termination of employment of an Employee who meets either of the following criteria: (a) is at least 55 years of age with at least 10 years of service; or (b) is at least 60 years of age with at least 5 years of service, in each case, with the Company, a Designated Subsidiary (at a time when it was a Subsidiary), a Designated Affiliate (at a time when it was an Affiliate) or combination of the foregoing (including, if the Committee so determines, service with entities acquired by the Company)."

IN WITNESS WHEREOF, on behalf of the Company, the undersigned officer has executed this amendment this 25th day of April, 2025.

CONSTELLATION BRANDS, INC.

By: /s/ Jeffrey P. Viviano

Jeffrey P. Viviano

Title: Senior Vice President, Global Total Rewards