

CONSTELLATION BRANDS, INC.

Form 8-K

April 07, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) April 4, 2016

CONSTELLATION BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction  
of incorporation)

001-08495

(Commission  
File Number)

16-0716709

(IRS Employer  
Identification No.)

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

(Address of principal executive offices) (Zip Code)

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

Not Applicable

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

- Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.  
 (e) Compensatory Arrangements of Certain Officers

At a meeting held on April 4, 2016, the Human Resources Committee (the “Committee”) of the Board of Directors (the “Board”) of Constellation Brands, Inc. (the “Company”) took the following actions with regard to certain compensatory arrangements for certain of the Company’s senior management personnel, including its Executive Officers.

Fiscal 2016 Incentive Awards

The Committee determined the amount to be paid in annual incentive awards under the Company’s Annual Management Incentive Plan (the “AMIP”) in accordance with its 2016 Fiscal Year Award Program for Executive Officers (the “2016 Program”). The following table sets forth the cash payments to those Executive Officers identified below with respect to their annual incentive awards under the 2016 Program:

Name and Position	Award
Richard Sands, Chairman of the Board	\$2,383,951
Robert Sands, President and Chief Executive Officer	\$2,431,372
David Klein, Executive Vice President and Chief Financial Officer	\$498,360
William F. Hackett Executive Vice President and Chairman, Beer Division	\$656,956
John A. Wright Executive Vice President and President, Canadian Business	\$691,547

Certification of Performance Results regarding Fiscal 2014 - Fiscal 2016 Performance Share Unit Awards and June 2014 - Fiscal 2016 Performance Share Unit Awards

The Committee certified the achievement of Fiscal 2014 - Fiscal 2016 Relative Stockholder Return (as that term is defined in the award agreement) performance sufficient for recipients of Fiscal 2014 - Fiscal 2016 Performance Share Unit awards (which were granted on April 26, 2013) to earn two times the target award level set forth in their respective Performance Share Unit Agreement. Each recipient’s award will vest if the recipient remains in continuous employment with the Company or any of its subsidiaries until May 1, 2016 <sup>(1)</sup>. On that date, each Executive Officer who was the recipient of a Fiscal 2014 - Fiscal 2016 Performance Share Unit Award would earn the respective amount of shares of the Company’s Class A Common Stock as constitutes two times the individual’s target award level pursuant to his respective Performance Share Unit Agreement. The following table sets forth the amounts of shares of the Company’s Class A Common Stock to be earned on May 1, 2016 by those Executive Officers identified below:

Name	Shares Expected to be Earned
Robert Sands	43,900
David Klein	3,180
John A. Wright	14,300

The Fiscal 2014 - Fiscal 2016 Performance Share Unit awards can vest at an earlier date upon death or Disability (1) (as that term is defined in the award agreement) of the recipient or upon a Change in Control event (as that term is defined in the award agreement); provided, that, in each such case, the Fiscal 2014 - Fiscal 2016 Performance Share Unit awards would vest at each recipient's respective target level.

The Committee also certified the achievement of June 2014 - Fiscal 2016 Relative Stockholder Return (as that term is defined in the award agreement) performance sufficient for the recipients of June 2014 - Fiscal 2016 Performance Share Unit awards (which were granted on June 3, 2013 and June 7, 2013) to earn two times the target award level set forth in their respective Performance Share Unit Agreement. Each recipient's award will vest if the recipient remains in continuous employment with the Company or any of its subsidiaries until May 1, 2016 (1). On that date, each Executive Officer who was the recipient of a June 2014 - Fiscal 2016 Performance Share Unit Award would earn the respective amount of shares of the Company's Class A Common Stock as constitutes two times the individual's target award level pursuant to his respective Performance Share Unit Agreement. The following table sets forth the amount of shares of the Company's Class A Common Stock to be earned on May 1, 2016 by the Executive Officer identified below:

Name	Shares Expected to be Earned
William F. Hackett	12,560

The June 2014 - Fiscal 2016 Performance Share Unit awards can vest at an earlier date upon death or Disability (1) (as that term is defined in the award agreement) of the recipient or upon a Change in Control event (as that term is defined in the award agreement); provided, that, in each such case, the June 2014 - Fiscal 2016 Performance Share Unit awards would vest at each recipient's respective target level.

#### Criteria for 2017 Fiscal Year Incentive Award

The Committee adopted the 2017 Fiscal Year Award Program for Executive Officers (the "2017 Program"), thereby establishing the performance criteria and bonus opportunity under the Company's AMIP for Fiscal 2017. Pursuant to the 2017 Program, potential incentive awards for Fiscal 2017, if any, will equal 0.5% of the Company's "Earnings Before Interest and Taxes" for each of Richard Sands and Robert Sands and 0.25% of "Earnings Before Interest and Taxes" for each other executive officer, all as calculated under the AMIP and the 2017 Program and measured for the period from March 1, 2016 through February 28, 2017. The Committee reserves the right to exercise its negative discretion at the end of Fiscal 2017 to reduce the amounts calculated in the preceding sentences to a bonus payment for each of the Company's Executive Officers that the Committee believes to be appropriate based on such quantitative and qualitative factors as it deems appropriate, including but not limited to the Company's performance. Also, no individual AMIP payout for a fiscal year or other performance period may exceed \$5 million.

SIGNATURES

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

Date: April 7, 2016

CONSTELLATION BRANDS, INC.

By: /s/ David Klein  
David Klein  
Executive Vice President and  
Chief Financial Officer