



**Part II** Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attached.

Blank lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See Attached.

Blank lines for providing information on resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attached.

Blank lines for providing other information necessary for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶  Date ▶ 12/21/2022

Print your name ▶ Michael Becka Title ▶ SVP, Tax

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Constellation Brands, Inc.

Attachment to IRS Form 8937

Report of Organizational Actions Affecting Basis of Securities

**CONSULT YOUR TAX ADVISOR: The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Recapitalization (as defined below). The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. You are urged to consult your own tax advisor regarding the particular consequences of the Recapitalization to you, including the applicability and effect of all U.S. federal, state, local and foreign tax laws, as applicable.**

Form 8937 - Part II - Item 14 (Description of Organizational Action):

On November 10, 2022, pursuant to a plan of reorganization, each share of Class B common stock of Constellation Brands, Inc., a Delaware corporation (the “Company”), issued and outstanding was reclassified, exchanged and converted into one validly issued, fully paid and non-assessable share of Class A common stock and the right to receive \$64.64 in cash, without interest (the “Reclassification”) pursuant to the Reclassification Agreement, dated June 30, 2022 (the “Reclassification Agreement”).

Form 8937 - Part II - Item 15 (Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis):

The tax basis of each share of Class A common stock received in the exchange of a holder’s share of Class B common stock pursuant to the Reclassification generally would be equal to the tax basis in the applicable share of Class B common stock surrendered in exchange therefor, decreased by the amount of cash received in respect of such share surrendered (i.e., \$64.64) and increased by the amount of gain recognized on such exchange, regardless of whether such gain is classified as capital gain or dividend income.

The determination of which share of Class B common stock is surrendered for the corresponding share of Class A common stock received in the Reclassification generally is determined on a block-by-block basis under U.S. Treasury Regulation Section 1.358-2(a)(2). If a former holder of Class B common stock acquired different blocks of Class B common stock at different times or different prices, the holder should consult its own tax advisor regarding the manner in which the different blocks of Class B common stock should be treated or designated as surrendered for the Class A common stock received in the Reclassification.

Form 8937 - Part II - Item 16 (Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates):

Because the Reclassification is intended to qualify as a tax-free reorganization under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the “Code”), and all Class B common stock was automatically converted into Class A common stock on a one-for-one basis with cash consideration of \$64.64 per share, the former holders of Class B common stock who participated in the Reclassification recognized gain, but not loss, on the Reclassification in an amount equal to the lesser of (i) the amount of cash received pursuant to the Reclassification or (ii) the excess, if any, of (a) the sum of such amount of cash and the fair market value of the shares of Class A common stock received by such holder in the exchange of the holder’s shares of Class B common stock pursuant to the Reclassification over (b) such holder’s adjusted tax basis in the shares of Class B common stock surrendered pursuant to the Reclassification. The characterization of any such gain as capital or as a dividend under Section 301 of the Code depends on the application of the Section 302 tests described in the registration statement on the Form S-4 of the Company that describes the Reclassification.

The U.S. federal income tax rules do not specify how the fair market value of the shares of Class A common stock received in the Reclassification is determined. One possible approach would be to use the average of the high and low trading prices for the Class A common stock on the NYSE on November 10, 2022 (i.e., \$246.48 per share). Other approaches to determine fair market value may also be possible. Former holders of Class B common stock who participated in the Reclassification are not bound by the approach described above and should consult with their own tax advisors.

As discussed above, the determination of which share of Class B common stock is surrendered for the corresponding share of Class A common stock received in the Reclassification (and therefore the calculation of the relevant change in basis) generally is determined on a block-by-block basis. If a former holder of Class B common stock acquired different blocks of Class B common stock at different times or different prices, the holder should consult its own tax advisor with respect to such determination.

Form 8937 - Part II - Item 17 (List of Applicable Internal Revenue Code Sections):

Code Sections 354, 356, 358, 368(a)(1)(E).

Form 8937 - Part II - Item 18 (Recognition of Loss):

No loss will be recognized on the Reclassification.

Form 8937 - Part II - Item 19 (Other Information):

The Reclassification occurred in calendar year 2022.