

Canandaigua Limited and Subsidiaries FY19 UK Tax Strategy

OUR APPROACH TO TAX IN THE UK

Canandaigua Limited and subsidiaries (Constellation UK companies) are a UK group of dormant companies indirectly owned by Constellation Brands, Inc. (Constellation) Constellation UK companies are part of a Multi-National Enterprise (MNE) group that meets OECD's country by country reporting framework threshold of global turnover of 750m euros and is required to publish a strategy. This tax strategy has been prepared in accordance with the requirements of paragraph 16(2) contained in Schedule 19 of the Finance Act 2016 and applies to Canandaigua Limited and Subsidiaries (Constellation) for the fiscal year ended February 28, 2018.

CONSTELLATION'S APPROACH TO RISK MANAGEMENT AND CORPORATE GOVERNANCE

Constellation identifies and manages diverse risks relative for businesses of its size, complexity, the different countries in which it operates, and customers and suppliers with whom it engages. These risks include UK tax risk and uncertainty.

Constellation engages a firm of UK tax professionals who support Constellation in ensuring its tax strategy aligns and complies with all UK tax legislation.

Constellation also requires that all appropriate corporate governance requirements of individual corporate entities within the group are complied with. Constellation, its directors, and its employees, work to ensure these requirements are met.

Please refer to Constellation's Investor Relations section on Corporate Governance for further information.

THE LEVEL OF TAX RISK THAT WE ARE PREPARED TO ACCEPT

We have a low risk approach to tax regarding both operational tax risks and also when considering tax planning opportunities.

As a dynamic business developing new products and opportunities, we can encounter uncertainty in respect of the taxation treatment of our products or transactions we undertake. This can give rise to risk with respect to the application or interpretation of tax legislation. We routinely seek external professional guidance to reduce such uncertainty when required.

Our approach to tax risk is understood and communicated within our business.

ATTITUDE TO TAX PLANNING

When appropriate to our business, we will seek to apply for UK statutorily available tax incentives and exemptions in the manner in which they are intended to be provided. Should we consider any form of tax planning, we will carefully assess the transactions, paying particular attention to the opinion of our third-party advisors, the potential impact on our relationship with HMRC and the impact on our reputation. We

conduct transactions between Constellation group companies on an arm's-length basis and in accordance with OECD principles.

APPROACH TO DEALING WITH TAX AUTHORITIES

We are committed to maintain an open, transparent and collaborative approach to our dealings with tax authorities.

In the UK, we engage the HMRC to discuss our tax affairs on a real-time basis.

We take care to ensure that our tax affairs are reported accurately and on a timely basis. We operate on the basis of full disclosure.

In summary, Constellation is committed to ensuring it pays the right amount of tax in the UK, and all jurisdictions in which we operate, and to working collaboratively with tax authorities to ensure it is properly regarded as a low-risk business.

OTHER RELEVANT INFORMATION

Constellation UK Companies are currently in a dormant status (1£ companies) with HMRC. They have no turnover and assets are not greater than 1£.