CONSTELLATION BRANDS, INC.
Form 8-K
November 14, 2007

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) November 9, 2007

CONSTELLATION BRANDS, INC.–
(Exact name of registrant as specified in its charter)

Delaware	**001-08495**	**16-0716709**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

370 Woodcliff Drive, Suite 300, Fairport, NY 14450
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code **(585) 218-3600**

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):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On November 9, 2007, Constellation Brands, Inc. (“Constellation”) and Beam Global Spirits & Wine, Inc. (“Beam”), a wholly-owned subsidiary of Fortune Brands, Inc., entered into a Stock Purchase Agreement (the “Stock Purchase Agreement”) pursuant to which Beam agreed to sell and Constellation agreed to purchase all of the issued and outstanding capital stock of Beam Wine Estates, Inc. (“BWE”), Beam’s wholly-owned subsidiary (the “Transaction”). BWE owns all of the outstanding stock of its subsidiaries: Atlas Peak Vineyards, Inc., Buena Vista Winery, Inc., Clos du Bois Wines, Inc., Gary Farrell Wines, Inc. and Peak Wines International, Inc. Pursuant to the Stock Purchase Agreement, Constellation will acquire BWE, together with BWE’s subsidiaries, on a cash and debt-free basis for approximately $885 million in cash, subject to certain purchase price adjustments based upon final net working capital.

Constellation intends to finance this transaction through additional debt financing. Constellation has capacity under its existing revolver and commitments for additional financing that, in the aggregate, are sufficient to fund the purchase price.

The Stock Purchase Agreement contains customary representations, warranties and covenants for a transaction of this type. The representations and warranties contained in the Stock Purchase Agreement are made by the parties solely for the benefit of each other and should not be relied upon by any other person. Consummation of the Transaction is subject to the satisfaction of certain conditions, including certain governmental and regulatory approvals having been obtained. The companies expect to complete the transaction by December 31, 2007.

The foregoing description of the Stock Purchase Agreement and the Transaction does not purport to be complete and is qualified in its entirety by reference to the Stock Purchase Agreement, which is attached hereto as Exhibit 2.1 and incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On November 12, 2007, Constellation issued a news release, a copy of which is furnished herewith as Exhibit 99.1 and is incorporated herein by reference, announcing Constellation’s entry into the Stock Purchase Agreement with respect to the Transaction.

References to Constellation’s website in the release do not incorporate by reference the information on such website into this Current Report on Form 8-K and Constellation disclaims any such incorporation by reference. The information in the news release attached as Exhibit 99.1 is incorporated by reference into this Item 7.01 in satisfaction of the public disclosure requirements of Regulation FD. This information is “furnished” and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Securities Exchange Act of 1934 or the Securities Act of 1933 only if and to the extent such subsequent filing specifically references the information incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

Not applicable.

(b) Pro forma financial information.

Not applicable.

(c) Shell company transactions.

Not applicable.

(d) Exhibits.

The following exhibits are filed or furnished as part of this Current Report on Form 8-K:

Exhibit No.	Description
2.1	Stock Purchase Agreement dated as of November 9, 2007 by and between Beam Global Spirits & Wine, Inc. and Constellation Brands, Inc.
99.1	News Release of Constellation Brands, Inc. dated November 12, 2007.

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: November 13, 2007

CONSTELLATION BRANDS, INC.

By: /s/ Robert Ryder
Robert Ryder
Executive Vice President and
Chief Financial Officer

INDEX TO EXHIBITS

Exhibit No.	Description
(1)	UNDERWRITING AGREEMENT
	Not Applicable.
(2)	PLAN OF ACQUISITION, REORGANIZATION, ARRANGEMENT, LIQUIDATION OR SUCCESSION
(2.1)	Stock Purchase Agreement dated as of November 9, 2007 by and between Beam Global Spirits & Wine, Inc. and Constellation Brands, Inc.
(3)	ARTICLES OF INCORPORATION AND BYLAWS
	Not Applicable.
(4)	INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES
	Not Applicable.
(7)	CORRESPONDENCE FROM AN INDEPENDENT ACCOUNTANT REGARDING NON-RELIANCE ON A PREVIOUSLY ISSUED AUDIT REPORT OR COMPLETED INTERIM REVIEW
	Not Applicable.
(14)	CODE OF ETHICS
	Not Applicable.
(16)	LETTER RE CHANGE IN CERTIFYING ACCOUNTANT
	Not Applicable.
(17)	CORRESPONDENCE ON DEPARTURE OF DIRECTOR
	Not Applicable.
(20)	OTHER DOCUMENTS OR STATEMENTS TO SECURITY HOLDERS
	Not Applicable.
(23)	CONSENTS OF EXPERTS AND COUNSEL
	Not Applicable.

(24) POWER OF ATTORNEY

Not Applicable.

(99) ADDITIONAL EXHIBITS

(99.1) News Release of Constellation Brands, Inc. dated November 12, 2007.

(100) XBRL-RELATED DOCUMENTS

Not Applicable.

round-color:#cceeff;">

President, Sales and

2015

$
358,423

$
7,168

$
321,760

$
—

$
82,438

$
35,335

$
29,514

$
834,638

Marketing

David A. DiFillippo

2017

$
345,555

$
6,911

$
138,560

$
—

$
100,211

$

—

$
28,735

(6)

$
619,972

Senior Vice

2016

$
337,000

$
—

$
146,120

$
—

$
80,880

$
225,076

$
28,000

$
817,076

President, Operations

2015

$
332,500

$
6,650

$
321,760

$
—

$
76,475

$
85,903

$
29,357

$
852,645

Ronald D. Croatti

2017

$
700,393

$
—

$
—

$
—

$
974,486

$
—

$
25,720

(7)

$
1,700,599

Former Chairman of

2016

$
786,500

$
—

$
—

$
15,558,200

$
1,313,760

$
213,841

$
28,000

$
17,900,301

the Board, President

2015

$
761,750

$
390,235

$
—

$
—

$
925,203

$
265,050

$
29,217

$
2,371,455

and Chief Executive

Officer

(1)

The amounts shown represent the aggregate grant date fair value related to the grant of stock appreciation rights to our named executive officers in fiscal 2017, 2016 and 2015, respectively, calculated in accordance with FASB ASC Topic 718 (excluding the effect of any estimate of future forfeitures). Additional information concerning our financial reporting of stock appreciation rights is presented in Notes 1 and 12 to our Consolidated Financial Statements set forth in our Annual Report on Form 10-K for the year ended August 26, 2017, Notes 1 and 12 to our Consolidated Financial Statements set forth in our Annual Report on Form 10-K for the year ended August 27, 2016 and in Notes 1 and 12 to our Consolidated Financial Statements set forth in our Annual Reports on Form 10-K for the year ended August 29, 2015. See the "Outstanding Equity Awards at Fiscal Year-End – 2017" table below for additional details regarding the stock appreciation rights that were granted to our named executive officers in fiscal 2017, 2016 and 2015.

(2) Amounts reported in this column for fiscal 2017 represent the present value of the accumulated benefit obligation as of August 26, 2017 minus the present value of the accumulated benefit obligation as of August 27, 2016 under the UniFirst Corporation Unfunded Supplemental Executive Retirement Plan, as amended ("SERP"). As of August 26, 2017, such changes in the present value of the accumulated benefit obligation relative to August 27, 2016 were $(4,937) with respect to Mr. Sintros, $(1,234) with respect to Mr. DiFillippo and $(868,920) with respect to Mr.

Croatti. However, SEC disclosure regulations state that negative changes should not be reflected in the Summary Compensation Table. Accordingly, such changes with respect to Messrs. Sintros, DiFillippo and Croatti are reflected in the table as "$0" with respect to 2017. Amounts reported in this column for fiscal 2016 represent the present value of the accumulated benefit obligation as of August 27, 2016 minus the present value of the accumulated benefit obligation as of August 29, 2015 under our SERP. Amounts reported in this column for fiscal 2015 represent the present value of the accumulated benefit obligation as of August 29, 2015 minus the present value of the accumulated benefit obligation as of August 30, 2014 under our SERP. Our obligation has been estimated assuming benefits commence at normal social security retirement age and using FASB ASC Topic 715 assumptions for mortality, assumed payment form and discount rates in effect at the measurement dates. Since the Company does not credit interest at above-market rates, no interest amounts are included in these totals. See the "Pension Benefits Table – Fiscal 2017" below for additional details about the accumulated benefits of each named executive officer under our SERP with respect to fiscal 2017. See the "Pension Benefits Table – Fiscal 2016" in our Proxy Statement for the 2017 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on December 1, 2016 for additional details about the accumulated benefits of each named executive officer under our SERP with respect to fiscal 2016. See the "Pension Benefits Table – Fiscal 2015" in our Proxy Statement for the 2016 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on December 1, 2015 for additional details about the accumulated benefits of each named executive officer under our SERP with respect to fiscal 2015.

(3) Includes car allowance ($9,042), 401(k) contributions ($10,989) and profit sharing plan contribution ($6,881). The components of "All Other Compensation" for 2015 and 2016 for Mr. Sintros were reported in our 2015 and 2016 proxy statements.

(4) Includes car allowance ($10,912), 401(k) contributions ($10,800) and profit sharing plan contribution ($6,881). The components of "All Other Compensation" for 2015 and 2016 for Ms. Croatti were reported in our 2015 and 2016 proxy statements.

(5) Includes car allowance ($10,912), 401(k) contributions ($10,975) and profit sharing plan contribution ($6,881). The components of "All Other Compensation" for 2015 and 2016 for Mr. Katz were reported in our 2015 and 2016 proxy statements.

(6) Includes car allowance ($10,912), 401(k) contributions ($10,942) and profit sharing plan contribution ($6,881). The components of "All Other Compensation" for 2015 and 2016 for Mr. DiFillippo were reported in our 2015 and 2016 proxy statements.

(7) Includes car allowance ($8,039), 401(k) contributions ($10,800) and profit sharing plan contribution ($6,881). The components of "All Other Compensation" for 2015 and 2016 for Mr. Croatti were reported in our 2015 and 2016 proxy statements.

Grants of Plan-Based Awards – Fiscal 2017

The following table contains information related to Share-Based Awards granted to our named executive officers under our Amended and Restated 2010 Stock Option and Incentive Plan during fiscal 2017:

Name	Grant Date	Approval Date	All Other Share-Based Awards: Number of Securities Underlying Awards(1)	Exercise or Base Price of Share-Based Awards ($/Sh)(2)	Grant Date Fair Value of Stock and Share-Based Awards(3)
Steven S. Sintros President, Chief Executive Officer and Chief Financial Officer	10/24/2016	10/24/2016	4,000	$ 119.00	$ 138,560
Cynthia Croatti Executive Vice President and Treasurer	10/24/2016	10/24/2016	6,000	$ 119.00	$ 207,840
David M. Katz Senior Vice President, Sales and Marketing	10/24/2016	10/24/2016	4,000	$ 119.00	$ 138,560
David A. DiFillippo Senior Vice President, Operations	10/24/2016	10/24/2016	4,000	$ 119.00	$ 138,560

(1) Amounts represent the number of stock-settled stock appreciation rights granted to our named executive officers during fiscal 2017. These stock appreciation rights are subject to a five-year cliff vesting schedule under which the stock appreciation rights become vested and exercisable five years from the date of grant. Each of these grants expires ten years from the date of grant.

(2) Amounts represent the fair market value of our Common Stock on the date of the grant. Fair market value is determined using the closing price of our Common Stock as reported on the New York Stock Exchange on the date of the grant.

(3) Amounts represent the grant date fair value of each stock appreciation right during fiscal 2017. These amounts were calculated in accordance with FASB ASC Topic 718 (excluding the effect of any estimate of future forfeitures). None of the stock appreciation rights was repriced or otherwise modified.

Outstanding Equity Awards at Fiscal Year-End – 2017

The following table sets forth information concerning the outstanding shares of restricted stock and unexercised Share-Based Awards, which include options to purchase shares of our Common Stock as well as stock appreciation rights, held as of August 26, 2017 by our named executive officers:

	Share-Based Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Share-Based Awards Exercisable	Number of Securities Underlying Unexercised Share-Based Awards Unexercisable	Share-Based Awards Exercise Price	Share-Based Awards Expiration Date	Number of Shares of Stock That Have Not Vested	Market Value of Shares of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares That Have Not Vested
Steven S. Sintros	—	8,000(1)	$69.05	10/22/2022	—	—	—	—
President, Chief	—	8,000(2)	$102.90	10/28/2023	—	—	—	—
Executive Officer	—	8,000(3)	$106.99	10/27/2024	—	—	—	—
and Chief	—	4,000(4)	$104.67	10/26/2025	—	—	—	—
Financial Officer	—	4,000(5)	$119.00	10/24/2026	—	—	—	—
Cynthia Croatti	—	12,000(1)	$69.05	10/22/2022	—	—	—	—
Executive Vice	—	12,000(2)	$102.90	10/28/2023	—	—	—	—
President and	—	12,000(3)	$106.99	10/27/2024	—	—	—	—
Treasurer	—	6,000(4)	$104.67	10/26/2025	—	—	—	—
	—	6,000(5)	$119.00	10/24/2026	—	—	—	—
David M. Katz	—	8,000(1)	$69.05	10/22/2022	—	—	—	—
Senior Vice	—	8,000(2)	$102.90	10/28/2023	—	—	—	—
President, Sales	—	8,000(3)	$106.99	10/27/2024	—	—	—	—
and Marketing	—	4,000(4)	$104.67	10/26/2025	—	—	—	—
	—	4,000(5)	$119.00	10/24/2026	—	—	—	—
David A. DiFillippo	8,000	—	$49.67	10/25/2021	—	—	—	—
Senior Vice	—	8,000(1)	$69.05	10/22/2022	—	—	—	—
President, Operations	—	8,000(2)	$102.90	10/28/2023	—	—	—	—
	—	8,000(3)	$106.99	10/27/2024	—	—	—	—
	—	4,000(4)	$104.67	10/26/2025	—	—	—	—
	—	4,000(5)	$119.00	10/24/2026	—	—	—	—
Ronald D. Croatti	2,100	—	$37.92	11/6/2017	—	—	—	—
Former Chairman	2,500	—	$27.08	5/23/2018	—	—	—	—

of the Board, President and Chief Executive Officer	—	—	46,668 (6)	$6,442,517 (7)

(1) These stock-settled stock appreciation rights are subject to a five-year cliff vesting schedule and become vested and exercisable on October 22, 2017.

(2) These stock-settled stock appreciation rights are subject to a five-year cliff vesting schedule and become vested and exercisable on October 28, 2018.

(3) These stock-settled stock appreciation rights are subject to a five-year cliff vesting schedule and become vested and exercisable on October 27, 2019.

(4) These stock-settled stock appreciation rights are subject to a five-year cliff vesting schedule and become vested and exercisable on October 26, 2020.

(5) These stock-settled stock appreciation rights are subject to a five-year cliff vesting schedule and become vested and exercisable on October 24, 2021.

(6) Represents 46,668 Performance Restricted Shares that, as of August 26, 2017, were subject to both the satisfaction of performance criteria and time-based vesting as more fully described under the heading "Compensation Discussion and Analysis - Our Executive Compensation Programs and Plans - CEO Incentive Equity Award to Our Former Chief Executive Officer" in this Proxy Statement. In October 2017, the compensation committee determined that such 46,668 Performance Restricted Shares were earned based on the Company's revenues and adjusted operating margins in fiscal 2017 and on a cumulative basis for fiscal 2017 and the second half of fiscal 2016, and such Performance Restricted Shares became fully vested.

(7) The amount shown is based on the closing price of the Company's Common Stock of $138.05 per share on August 26, 2017, the last trading day of fiscal 2017, as reported by the New York Stock Exchange.

Option Exercises and Stock Vested Table – Fiscal 2017

The following table sets forth the number of shares of Common Stock acquired or that vested and the aggregate dollar value realized as a result of stock option exercises, stock–settled SAR exercises and the vesting of restricted stock during fiscal 2017 with respect to our named executive officers:

	Share-Based Awards			Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise(1)		Number of Shares Acquired on Vesting	Value Realized on Vesting(2)
Steven S. Sintros	2,667	$ 221,441	(3)	—	—
President, Chief Executive	2,667	$ 208,239	(4)	—	—
Officer and Chief Financial Officer	2,666	$ 215,759	(5)	—	—
Cynthia Croatti	4,000	$ 330,120	(6)	—	—
Executive Vice President and	4,000	$ 341,720	(7)	—	—
Treasurer	4,000	$ 368,720	(8)	—	—
David M. Katz	2,667	$ 258,779	(9)	—	—
Senior Vice President, Sales and	2,667	$ 222,775	(10)	—	—
Marketing	2,666	$ 206,962	(11)	—	—
David A. DiFillippo	2,667	$ 232,376	(12)	—	—
Senior Vice President,	2,667	$ 219,174	(13)	—	—
Operations	2,666	$ 226,690	(14)	—	—
Ronald D. Croatti	—	$ —		46,666 (15)	6,479,574 (16)
Former Chairman of the Board, President and Chief Executive Officer	—	$ —		46,668 (17)	6,442,517 (18)

(1) Value realized on exercise is calculated as the market value of our Common Stock at the time of exercise of the stock appreciation right less the exercise price paid, multiplied by the number of shares underlying the stock option exercised.

(2) Value realized on vesting is calculated as the market value of our Common Stock at the time of vesting, multiplied by the number of shares that vested.

(3)

Value realized on exercise is as follows: $83.03 (the market value at the time of exercise of $132.70 less the exercise price of $49.67), multiplied by 2,667 shares acquired upon exercise.

(4) Value realized on exercise is as follows: $78.08 (the market value at the time of exercise of $127.75 less the exercise price of $49.67), multiplied by 2,667 shares acquired upon exercise.

(5) Value realized on exercise is as follows: $80.93 (the market value at the time of exercise of $130.60 less the exercise price of $49.67), multiplied by 2,666 shares acquired upon exercise.

(6) Value realized on exercise is as follows: $82.53 (the market value at the time of exercise of $132.20 less the exercise price of $49.67), multiplied by 4,000 shares acquired upon exercise.

(7) Value realized on exercise is as follows: $85.43 (the market value at the time of exercise of $135.10 less the exercise price of $49.67), multiplied by 4,000 shares acquired upon exercise.

(8) Value realized on exercise is as follows: $92.18 (the market value at the time of exercise of $141.85 less the exercise price of $49.67), multiplied by 4,000 shares acquired upon exercise.

(9) Value realized on exercise is as follows: $97.03 (the market value at the time of exercise of $146.70 less the exercise price of $49.67), multiplied by 2,667 shares acquired upon exercise.

(10) Value realized on exercise is as follows: $83.53 (the market value at the time of exercise of $133.20 less the exercise price of $49.67), multiplied by 2,667 shares acquired upon exercise.

(11) Value realized on exercise is as follows: $77.63 (the market value at the time of exercise of $127.30 less the exercise price of $49.67), multiplied by 2,666 shares acquired upon exercise.

(12) Value realized on exercise is as follows: $87.13 (the market value at the time of exercise of $132.70 less the exercise price of $45.57), multiplied by 2,667 shares acquired upon exercise.

(13) Value realized on exercise is as follows: $82.18 (the market value at the time of exercise of $127.75 less the exercise price of $45.57), multiplied by 2,667 shares acquired upon exercise.

(14) Value realized on exercise is as follows: $85.03 (the market value at the time of exercise of $130.60 less the exercise price of $45.57), multiplied by 2,666 shares acquired upon exercise.

(15) Represents 46,666 Performance Restricted Shares that that had been earned prior to Mr. Croatti's death and which vested in full upon his death. See "Compensation Discussion and Analysis - Our Executive Compensation Programs and Plans - CEO Incentive Equity Award to Our Former Chief Executive Officer" in this Proxy Statement. Such Performance Restricted Shares that were earned and vested in full were in the form of Class B Common Stock of the Company.

(16) Value realized on vesting is as follows: $138.85 (the market value at the time of vesting), multiplied by 46,666 shares vested.

(17) Represents 46,668 Performance Restricted Shares that were earned based on the Company's revenues and adjusted operating margins in fiscal 2017 and on a cumulative basis for fiscal 2017 and the second half of fiscal 2016 and that vested in full. See "Compensation Discussion and Analysis - Our Executive Compensation Programs and Plans - CEO Incentive Equity Award to Our Former Chief Executive Officer" in this Proxy Statement. Such Performance Restricted Shares were in the form of 24,334 shares of Class B Common Stock of the Company and 22,334 shares of Common Stock of the Company.

(18) Value realized on vesting is as follows: $138.05 (the market value at the time of vesting), multiplied by 46,668 shares vested.

Pension Benefits Table – Fiscal 2017

The following table sets forth the actuarial present value of accumulated benefits under our Unfunded Supplemental Executive Retirement Plan, the number of years of credited service and the dollar amount of payments and benefits paid during fiscal 2017 to our named executive officers as of August 26, 2017:

Name	Plan Name	Number of Years of Credited Service(1)	Present Value of Accumulated Benefits(2)	Payments During Last Fiscal Year
Steven S. Sintros President, Chief Executive Officer and Chief Financial Officer	UniFirst Corporation Unfunded Supplemental Executive Retirement Plan	13	$ 280,091	—
Cynthia Croatti Executive Vice President and Treasurer	UniFirst Corporation Unfunded Supplemental Executive Retirement Plan	30	$ 1,723,175	—
David M. Katz Senior Vice President, Sales and Marketing	UniFirst Corporation Unfunded Supplemental Executive Retirement Plan	9	$ 289,160	—
David A. DiFillippo Senior Vice President, Operations	UniFirst Corporation Unfunded Supplemental Executive Retirement Plan	30	$ 1,048,028	—
Ronald D. Croatti Former Chairman of the Board, President and Chief Executive Officer	UniFirst Corporation Unfunded Supplemental Executive Retirement Plan	30	$ 2,797,815	$65,387 (3)

(1) As discussed in more detail below under the heading "UniFirst Corporation Unfunded Supplemental Executive Retirement Plan", our SERP limits the number of years of credited service to thirty for purposes of determining a participant's benefits under the plan. The actual years of service of Mr. DiFillippo and Ms. Croatti are 38 and 37, respectively.

(2) Amounts reported in this column represent the present value of the accumulated benefit obligation as of August 26, 2017. Our obligation has been estimated assuming benefits commence on the individual's social security retirement date and using FASB ASC Topic 715 assumptions for mortality, assumed payment form and discount rates in effect at the measurement dates.

(3) Payments were made to Mr. Croatti's designated beneficiary.

UniFirst Corporation Unfunded Supplemental Executive Retirement Plan

Certain of our and our affiliates' employees are eligible to participate in our SERP, including our named executive officers. Retirement benefits provided by our SERP are based on a participant's average annual base earnings, exclusive of bonuses, commissions, fringe benefits and reimbursed expenses, for the last three years of full-time employment prior to the participant's retirement date ("Final Average Earnings"). Under the SERP, upon the retirement of a participant on their social security retirement date, a participant will receive a plan benefit in an aggregate amount equal to 1.33% of the participant's Final Average Earnings multiplied by their years of service, limited to 30 years, less 3.33% of the participant's primary Social Security benefit multiplied by their years of service, limited to 30 years.

Pension payments under our SERP are made at the intervals then in effect for the payment of base salaries to our executive officers. Upon the death of a participant, the participant's designated beneficiary will be paid retirement benefits for up to 12 years from the participant's date of retirement. Our SERP provides that, upon any change in control of the Company, participants in our SERP will receive a lump sum payment equal to the actuarial equivalent of their plan benefit as of the date of the change in control.

Potential Payments Upon Termination or Change in Control

Unfunded Supplemental Executive Retirement Plan

As discussed under the heading "UniFirst Corporation Unfunded Supplemental Executive Retirement Plan" above, upon a change in control of the Company, our named executive officers will receive a lump sum payment under our SERP equal to the actuarial equivalent of their plan benefit as of the date of the change in control. For more information concerning our SERP, see the "Pension Benefits Table – Fiscal 2017" and the discussion under the heading "UniFirst Corporation Unfunded Supplemental Executive Retirement Plan" above.

CEO Incentive Equity Award to Our Former Chief Executive Officer

See "Compensation Discussion and Analysis - Our Executive Compensation Programs and Plans - CEO Incentive Equity Award to Our Former Chief Executive Officer" in this Proxy Statement for a description of the Performance Restricted Shares that were earned and which became fully vested in connection with the death of our former Chief Executive Officer.

Director Compensation – Fiscal 2017

The Compensation Committee determines Director compensation based on the following principles: (1) Director compensation should be aligned with the long-term interest of shareholders, (2) compensation should be used to motivate Director behavior; (3) Directors should be adequately compensated for their time and effort; and (4) Director compensation should be approached on an overall basis, rather than as an array of separate elements.

We determine Director compensation on a calendar year basis. The non-employee Director fee schedule for calendar 2017 is as follows: an annual fee of $38,000; an annual fee for chairing the Audit Committee of $10,000; an annual fee for chairing a Committee other than the Audit Committee of $5,000; an annual fee for the Lead Director of $5,000; a $2,750 fee for each Board meeting attended; a $1,800 fee for each Committee meeting attended; a $1,250 fee for participating in a telephonic Board meeting; and a $1,000 fee for participating in a telephonic Committee meeting. As part of the annual compensation, each non-employee Director receives a fully vested stock-settled stock appreciation right with respect to that number of shares of Common Stock which will result in such stock appreciation right having a value (based on the valuation methodology used by the Company for financial reporting purposes) at the time of grant equal to $35,000, at an exercise price equal to the closing price of the Company's Common Stock on the grant date. In addition, each non-employee Director receives shares of unrestricted Common Stock having a value (based on the closing price of the Company's Common Stock on the grant date) equal to $65,000. Those Directors who satisfy the minimum share ownership requirement under the Company's Director Stock Ownership Policy may elect to receive a cash payment of $65,000 in lieu of the shares of unrestricted Common Stock.

Each Director who was also an employee of our Company received no Director's fees during fiscal year 2017 and will receive no Director's fees during fiscal year 2018.

The compensation earned by our non-employee Directors during fiscal 2017 is set forth in the table below.

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Share-Based Awards(2)	All Other Compensation	Total
Phillip L. Cohen (3)	$172,550	—	$ 35,034	—	$207,584
Thomas S. Postek	$90,350	$ 65,097	$ 35,034	—	$190,481
Michael Iandoli (4)	$119,450	$ 32,548	$ 35,034	—	$187,032
Kathleen Camilli (3)	$150,800	—	$ 35,034	—	$185,834
Raymond C. Zemlin (3)	$150,600	—	$ 35,034	—	$185,634
Donald J. Evans (5)	$9,950	—	—	—	$9,950

(1) The amounts shown represent the aggregate grant date fair value related to 490 shares of unrestricted stock awarded to each of our non-employee Directors on January 13, 2017, calculated in accordance with FASB ASC Topic 718 (excluding the effect of any estimate of future forfeitures). Such shares of Common Stock granted on January 13, 2017 were fully vested on the date of grant. As described above and below, certain of our non-employee Directors elected to receive some or all of the unrestricted stock award in cash in lieu of receiving shares. Additional information concerning our financial reporting of restricted stock is presented in Notes 1 and 12 to our Consolidated Financial Statements set forth in our Annual Report on Form 10-K for the year ended August 26, 2017.

(2) The amounts shown represent the aggregate grant date fair value related to the grant of 988 stock-settled stock appreciation rights to each of our non-employee Directors on January 13, 2017, calculated in accordance with FASB ASC Topic 718 (excluding the effect of any estimate of future forfeitures). These stock appreciation rights were fully vested upon grant and expire eight years after the grant date or on the second anniversary of the date that the Director ceases to be a member of the Board of Directors, whichever occurs first. Additional information concerning our financial reporting of stock appreciation rights is presented in Notes 1 and 12 to our Consolidated Financial Statements set forth in our Annual Report on Form 10-K for the year ended August 26, 2017.

(3) Amounts shown include a $65,000 cash payment in lieu of receiving a grant of 490 shares of unrestricted Common Stock listed in footnote (1) above.

(4) Amounts shown include a $32,500 cash payment in lieu of receiving a partial grant of 245 shares of the total of 490 shares of unrestricted Common Stock listed in footnote (1) above.

(5) Mr. Evans retired from our Board of Directors in January 2017.

Compensation Committee Interlocks and Insider Participation

During the 2017 fiscal year, the Compensation Committee consisted of Messrs. Iandoli, Cohen, Postek, Zemlin and Ms. Camilli. None of these individuals has served as an officer or employee of the Company or any of its subsidiaries. During the 2017 fiscal year, to the knowledge of the Company, none of its executive officers:

- served as a member of the compensation committee of another entity, one of whose executive officers served on the Compensation Committee;
- served as directors of another entity, one of whose executive officers served on the Compensation Committee; or
- served as members of the compensation committee of another entity, one of whose executive officers served as one of the Company's Directors.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is composed entirely of independent directors meeting the requirements of applicable Securities and Exchange Commission and New York Stock Exchange rules. The key responsibilities of our committee are set forth in our Charter and include overseeing the integrity of UniFirst's financial statements, the independent auditors' qualifications and independence and the performance of the independent auditors and the internal audit function.

We serve in an oversight capacity and are not intended to be part of UniFirst's operational or managerial decision-making process. UniFirst's management is responsible for preparing the consolidated financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting and its independent registered public accounting firm is responsible for auditing those statements. Our principal purpose is to monitor these processes.

The Audit Committee has, among other things:

Reviewed and discussed with management and the independent registered public accounting firm the audited financial statements for the fiscal year ended August 26, 2017, including a discussion of accounting principles, judgments and disclosure in the audited financial statements.

Reviewed and discussed with management and the independent registered public accounting firm the quarterly and annual earnings press releases prior to release and the quarterly and annual reports on Form 10-Q and 10-K prior to filing.

Reviewed the performance of the Company's internal audit function.

Discussed with management, the internal auditors and the independent registered public accounting firm the results of the testing of internal controls over financial reporting.

Discussed with the independent registered public accounting firm the overall scope and the plans for the annual audit, the results of their examination and the overall quality of UniFirst's financial reporting.

Discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 1301 (Communications with Audit Committees), as adopted by the Public Company Accounting Oversight Board.

Reviewed all audit and non-audit services performed by the independent registered public accounting firm and considered whether the provision of non-audit services is compatible with maintaining the auditor's independence.

Reviewed the performance, qualifications and independence of the independent registered public accounting firm.

Received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and discussed with the independent registered public accounting firm the auditors' independence.

Based on the reviews and discussions with management and the independent registered public accounting firm and the report of the independent public accounting firm, the Audit Committee recommended to the Board of Directors, and the Board approved, the audited financial statements for the fiscal year ended August 26, 2017 be included in the Company's Annual Report on Form 10-K for filing with the Securities and Exchange Commission.

Submitted by the Audit Committee for fiscal 2017

Phillip L. Cohen (Chair)
Kathleen M. Camilli
Thomas S. Postek

Independent Registered Public Accounting Firm

Audit Fees. During fiscal 2017, the aggregate fees for professional services rendered by Ernst & Young LLP ("Ernst & Young") for the audit of the Company's annual financial statements, audit of the effectiveness of the Company's internal controls over financial reporting, and review of the Company's quarterly financial statements totaled $1,769,978. During fiscal 2016, the aggregate fees for professional services rendered by Ernst & Young for the audit of the Company's annual financial statements, audit of the effectiveness of the Company's internal controls over financial reporting, and review of the Company's quarterly financial statements totaled $1,654,155.

Audit-Related Fees. During fiscal 2017 and 2016, there were no fees billed for assurance and related services rendered by Ernst & Young that were reasonably related to the performance of the audit or review of the Company's annual financial statements and review of the Company's quarterly financial statements.

Tax Fees. During fiscal 2017, the aggregate fees and expenses billed for professional services rendered by Ernst & Young for tax compliance, tax advice and tax planning totaled $296,001. During fiscal 2016, the aggregate fees and expenses billed for professional services rendered by Ernst & Young for tax compliance, tax advice and tax planning totaled $275,443.

All Other Fees. During fiscal 2017 and 2016, there were no fees and expenses billed for professional services rendered by Ernst & Young to the Company not covered in the three preceding paragraphs.

Under its charter, the Audit Committee must pre-approve all audit and permitted non-audit services to be provided by our independent registered public accounting firm unless an exception to such pre-approval exists under the Exchange Act or the rules of the Securities and Exchange Commission. Each year, the Audit Committee approves the retention of the independent registered public accounting firm to audit our financial statements, including the associated fee. All of the services described in the four preceding paragraphs were approved by the Audit Committee. The Audit Committee has considered whether the provisions of such services, including non-audit services, by Ernst & Young is compatible with maintaining Ernst & Young's independence and has concluded that it is.

Certain Relationships and Related Transactions

The Company's Board of Directors has adopted a written Related Person Transaction Approval Policy to monitor transactions, arrangements or relationships in which the Company is a participant and any of the following have a direct or indirect material interest: (a) an executive officer, director or director nominee; (b) an immediate family member of an executive officer, director or director nominee; (c) a shareholder that beneficially owns more than 5% of the Company's Common Stock or Class B Common Stock; or (d) any immediate family member of such 5% shareholder. The policy generally covers related person transactions that meet the minimum threshold for disclosure under relevant Securities and Exchange Commission rules. Such related person transactions generally involve amounts exceeding $120,000.

The Company's Chief Financial Officer, together with outside legal counsel, identifies any potential related person transactions and, if he determines that a transaction constitutes a related person transaction under the policy, the Chief Financial Officer provides relevant details to the Audit Committee. If the Chief Financial Officer has an interest in a potential related person transaction, the Chief Executive Officer assumes the role of the Company's Chief Financial Officer under the policy. The Audit Committee reviews relevant information concerning any proposed transaction contemplated by the Company with an individual or entity that is the subject of a disclosed relationship, and approves or disapproves the transaction, with or without conditions. Certain related person transactions are deemed pre-approved by the Audit Committee, including transactions, arrangements or relationships where the rates or charges involved in the transactions are determined by competitive bids.

Mr. Zemlin, a Director, was until his retirement in September 2017 a partner in the law firm Goodwin Procter LLP, which serves as the Company's outside legal counsel. Since Mr. Zemlin's election to the Board in January 2017 through the end of fiscal 2017, the Company made payments for legal services to Goodwin Procter LLP in an amount that was less than one percent of Goodwin Procter LLP's revenues in its last fiscal year. During the 2017 fiscal year, the Company was not a participant in any other related party transactions that required disclosure under this heading.

Section 16(a) Beneficial Ownership Reporting Compliance

Executive officers, Directors and greater than 10% shareholders of the Company are required to file with the Securities and Exchange Commission pursuant to Section 16(a) of the Exchange Act, reports of ownership and changes in ownership. Such reports are filed on Form 3, Form 4 and Form 5 under the Exchange Act, as appropriate. Executive officers, Directors and greater than 10% shareholders are required by Exchange Act regulations to furnish the Company with copies of all Section 16(a) forms they file.

To the Company’s knowledge, based solely on a review of the copies of such reports furnished to the Company or written representations that no such reports were required during the 2017 fiscal year, the Company believes that, during the 2017 fiscal year, all executive officers, Directors and greater than 10% shareholders of the Company complied with applicable Section 16(a) filing requirements.

PROPOSAL 2

NON-BINDING, ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with Section 14A of the Exchange Act, the Company is providing shareholders with the opportunity to vote on the compensation of the Company's named executive officers as disclosed in this Proxy Statement. This is commonly known as a "say-on-pay" vote. The Company is required to include this non-binding, advisory vote in its Proxy Statement no less frequently than once every three years. At the Annual Meeting, the Company is presenting to shareholders the following non-binding, advisory resolution regarding the approval of the compensation of the Company's named executive officers:

"RESOLVED, that the shareholders of the Company approve the compensation of the Company's named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K."

The compensation of the Company's named executive officers that is the subject of the foregoing resolution is the compensation disclosed in the "Executive Compensation" section of this Proxy Statement under the headings "Compensation Discussion and Analysis," "Summary Compensation Table," "Grants of Plan-Based Awards - Fiscal 2017," "Outstanding Equity Awards at Fiscal Year End - 2017," "Option Exercises and Stock Vested Table - Fiscal 2017," "Pension Benefits Table - Fiscal 2017," "UniFirst Corporation Unfunded Supplemental Executive Retirement Plan," and "Potential Payments Upon Termination or Change in Control." You are encouraged to carefully review these sections.

The section of this Proxy Statement under the heading "Compensation Discussion and Analysis" includes a detailed discussion of each of the following as it relates to the Company's named executive officers:

- the objectives of the Company's compensation programs;
- what the Company's compensation programs are designed to reward;
- each element of compensation;
- why the Company chooses to pay each element of compensation;
- how the Company determines the amount (and, where applicable, the formula) for each element to pay; and
- how each compensation element and the Company's decisions regarding that element fit into the Company's overall compensation objectives.

The Board of Directors unanimously recommends that shareholders approve the foregoing resolution for the same reasons that the Company decided to provide this compensation to its named executive officers as articulated in the "Compensation Discussion and Analysis" section.

Vote Required; Effect of Vote

The approval of the resolution in this Proposal 2 requires the affirmative vote of a majority of the votes cast by holders of shares of Common Stock and Class B Common Stock, voting together as a single class and represented in person or by proxy at the Annual Meeting and entitled to vote thereon. Abstentions and broker non-votes will not be treated as votes cast and, accordingly, will have no effect on the outcome of the vote on this Proposal 2.

The resolution that is the subject of this Proposal 2 is a non-binding, advisory resolution. Accordingly, the resolution will not have any binding legal effect regardless of whether it is approved or not. However, the Compensation Committee does intend to take the results of the vote on this Proposal 2 into account in its future decisions regarding the compensation of the Company's named executive officers.

Recommendation

THE BOARD OF DIRECTORS OF THE COMPANY UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE APPROVAL OF THIS RESOLUTION.

PROPOSAL 3

NON-BINDING, ADVISORY VOTE ON FREQUENCY OF FUTURE NON-BINDING, ADVISORY VOTES ON EXECUTIVE COMPENSATION

In accordance with Section 14A of the Exchange Act, the Company is providing shareholders with the opportunity to vote to determine whether the Company should submit to shareholders a say-on-pay vote similar to Proposal 2 of this Proxy Statement every one, two or three years. The Company is required to include this non-binding, advisory vote in its Proxy Statement no less frequently than once every six years.

At the Annual Meeting, shareholders may cast a vote on the frequency of a say-on-pay vote by choosing one of three alternative frequencies for the proposal: every year (box "1 Year" on the proxy card), every two years (box "2 Years" on the proxy card) or every three years (box "3 Years" on the proxy card). In addition, shareholders may choose to abstain from voting on this Proposal 3.

The Board of Directors believes that, of the three alternative frequencies, submitting a non-binding, advisory say-on-pay vote to shareholders every three years is the most appropriate choice. The Company believes that shareholder feedback every three years will be more useful as it will provide shareholders with a sufficient period of time to evaluate the overall compensation of the named executive officers, the components of that compensation and the effectiveness of that compensation. The amount of compensation and mix of components of such compensation in any one year may differ from year to year, and the three year period will provide shareholders with a more complete view of the amount and mix of that compensation. The triennial say-on-pay vote will provide shareholders with the benefit of assessing over a period of years whether the components of the compensation paid to the named executive officers have achieved positive results for the Company.

In particular, the three-year period will provide shareholders with the ability to assess the effectiveness of the Company's awards of long-term incentive compensation. The Company uses long-term equity incentive awards to align the interests of the named executive officers and the Company's shareholders by providing executives with incentives to increase shareholder value and a reward for doing so. A triennial vote will enable shareholders to evaluate the effectiveness of long-term equity incentive awards in achieving these objectives over a longer period of time, which is consistent with the long-term nature of this form of compensation and the Company's corresponding long-term business strategies and objectives.

Vote Required; Effect of Vote

The approval of any of the three alternative frequencies set forth in this Proposal 3 requires the affirmative vote of a majority of the votes cast by holders of shares of Common Stock and Class B Common Stock, voting together as a single class and represented in person or by proxy at the Annual Meeting and entitled to vote thereon. Because there are three alternatives, it is possible that none of the three alternatives will receive a majority of the votes cast. In that case, applicable law provides that none of the three alternatives will have been approved. However, shareholders will still be able to communicate their preference with respect to this vote by choosing from among these three alternatives. Abstentions and broker non-votes will not be treated as votes cast and, accordingly, will have no effect on the outcome of the vote on this Proposal 3.

This Proposal 3 is a non-binding, advisory proposal. Accordingly, neither the approval of one of the three alternative frequencies nor the failure to approve any of the three alternative frequencies will have any binding legal effect. However, the Compensation Committee does intend to take the results of the vote on this Proposal 3 into account in its decision regarding the frequency with which the Company submits say-on-pay votes to shareholders in the future.

Recommendation

THE BOARD OF DIRECTORS OF THE COMPANY UNANIMOUSLY RECOMMENDS A VOTE TO HOLD A SAY-ON-PAY VOTE EVERY THREE YEARS.

PROPOSAL 4

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has appointed Ernst & Young LLP as the Company's independent registered public accounting firm for its fiscal year ending August 25, 2018. Ernst & Young LLP has served as the Company's independent registered public accounting firm since 2002. The Audit Committee is directly responsible for the appointment, retention, compensation and oversight of the work of the Company's independent registered public accounting firm for the purpose of preparing or issuing an audit report or related work. In making its determinations regarding whether to appoint or retain a particular independent registered public accounting firm, the Audit Committee takes into account the views of management. In addition, although not required by law, the Audit Committee will take into account the vote of the Company's shareholders with respect to the ratification of the appointment of the Company's independent registered public accounting firm.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting. He or she will have an opportunity to make a statement, if he or she desires to do so, and will be available to respond to appropriate questions.

Vote Required

The affirmative vote of a majority of the votes cast by holders of shares of Common Stock and Class B Common Stock, voting together as a single class and represented in person or by proxy at the Annual Meeting and entitled to vote thereon, is required for approval.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING AUGUST 25, 2018.

OTHER MATTERS

Management is not aware of any other matters which may come before the Annual Meeting or any adjournment or postponement thereof; however, if any matters other than those set forth in the attached Notice of Annual Meeting should be properly presented at the Annual Meeting, the persons named in the proxy intend to take such action as will be, in their discretion, consistent with the best interest of the Company.

Shareholder Proposals

Under the Company’s By-laws, any shareholder desiring to present a proposal for inclusion in the Company’s Proxy Statement in connection with the Company’s 2019 Annual Meeting of Shareholders must submit the proposal so as to be received by the Secretary of the Company at the principal executive offices of the Company, 68 Jonspin Road, Wilmington, Massachusetts 01887, not later than August 2, 2018. In addition, in order to be included in the Proxy Statement, such a proposal must comply with the requirements as to form and substance established by applicable laws and regulations.

Shareholders wishing to present business for action, other than proposals to be included in the Company’s Proxy Statement, or to nominate candidates for election as Directors at a meeting of the Company’s shareholders, must do so in accordance with the Company’s By-laws. The By-laws provide, among other requirements, that in order to be presented at the 2019 Annual Meeting of Shareholders, such shareholder proposals or nominations may be made only by a shareholder of record who shall have given notice of the proposal or nomination and the related required information to the Company no earlier than September 11, 2018 and no later than October 26, 2018.

Annual Report on Form 10-K

The Company will provide each shareholder with a copy of its Annual Report on Form 10-K, including the financial statements and schedules to such report but excluding exhibits, required to be filed with the Securities and Exchange Commission for the Company’s most recent fiscal year, without charge, upon receipt of a phone call or written request from such person. Such request must be made to the Company’s Investor Services group by calling (978) 658-8888 or by writing to Investor Services, UniFirst Corporation, 68 Jonspin Road, Wilmington, MA 01887.

Delivery of Documents to Shareholders Sharing an Address

If you share an address with any of the Company’s other shareholders, your household might receive only one copy of the Proxy Statement, Annual Report and Notice, as applicable. To request individual copies of any of these materials for each shareholder in your household, please contact the Company’s Investor Services, UniFirst Corporation, 68 Jonspin Road, Wilmington, MA 01887 (telephone: (978) 658-8888). The Company will deliver copies of the Proxy Statement, Annual Report and/or Notice promptly following your written or oral request. To ask that only one copy of any of these materials be mailed to your household, please contact your broker.

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE ANNUAL MEETING, PLEASE REVIEW THE PROXY MATERIALS, INCLUDING OUR 2017 ANNUAL REPORT ON FORM 10-K, AT WWW.INVESTORVOTE.COM AND VOTE BY INTERNET, BY TELEPHONE OR BY PROXY CARD IN ACCORDANCE WITH THE INSTRUCTIONS IN THIS PROXY STATEMENT AND THE NOTICE. IF YOU ATTEND THE MEETING, YOU MAY CONTINUE TO HAVE YOUR SHARES VOTED AS INSTRUCTED IN THE PROXY OR YOU MAY WITHDRAW YOUR PROXY AT THE MEETING AND VOTE YOUR SHARES IN PERSON.

Wilmington, Massachusetts
November 30, 2017