**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

**FORM 10-Q**

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

For the quarterly period ended **April 1, 2017**

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 001-01043

BRUNSWICK

**Brunswick Corporation**

**(Exact name of registrant as specified in its charter)**

| **Delaware** | **36-0848180** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | ***(I.R.S. Employer Identification No.)*** |

**1 N. Field Court, Lake Forest, Illinois 60045-4811**

**(Address of principal executive offices, including zip code)**

**(847) 735-4700**

**(Registrant's telephone number, including area code)**

**N/A**

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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. (Check one):

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ (Do not check if a smaller reporting company) | 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 ☒

The number of shares of Common Stock ($0.75 par value) of the registrant outstanding as of May 2, 2017 was 89,306,657.

**BRUNSWICK CORPORATION**
**INDEX TO QUARTERLY REPORT ON FORM 10-Q**
**April 1, 2017**

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## PART I - FINANCIAL INFORMATION

### Item 1. Condensed Consolidated Financial Statements

**BRUNSWICK CORPORATION**
**Condensed Consolidated Statements of Comprehensive Income**
**(unaudited)**

| (in millions, except per share data) | Three Months Ended April 1, 2017 | Three Months Ended April 2, 2016 |
|---|---|---|
| **Net sales** | **$ 1,160.3** | $ 1,070.3 |
| Cost of sales | **860.2** | 788.2 |
| Selling, general and administrative expense | **159.3** | 147.7 |
| Research and development expense | **36.6** | 34.6 |
| Restructuring, exit and integration charges | **15.2** | 3.8 |
| **Operating earnings** | **89.0** | 96.0 |
| Equity earnings | **2.3** | 0.8 |
| Other income, net | **1.7** | 1.0 |
| **Earnings before interest and income taxes** | **93.0** | 97.8 |
| Interest expense | **(6.6)** | (6.8) |
| Interest income | **0.5** | 0.4 |
| **Earnings before income taxes** | **86.9** | 91.4 |
| Income tax provision | **22.0** | 28.2 |
| **Net earnings from continuing operations** | **64.9** | 63.2 |
| | | |
| **Discontinued operations:** | | |
| Earnings from discontinued operations, net of tax | **—** | 1.6 |
| **Net earnings from discontinued operations, net of tax** | **—** | 1.6 |
| **Net earnings** | **$ 64.9** | $ 64.8 |
| | | |
| **Earnings per common share:** | | |
| Basic | | |
| Earnings from continuing operations | **$ 0.72** | $ 0.69 |
| Earnings from discontinued operations | **—** | 0.02 |
| Net earnings | **$ 0.72** | $ 0.71 |
| | | |
| Diluted | | |
| Earnings from continuing operations | **$ 0.71** | $ 0.68 |
| Earnings from discontinued operations | **—** | 0.02 |
| Net earnings | **$ 0.71** | $ 0.70 |
| | | |
| **Weighted average shares used for computation of:** | | |
| Basic earnings per common share | **90.1** | 91.8 |
| Diluted earnings per common share | **91.1** | 92.8 |
| | | |
| **Comprehensive income** | **$ 72.1** | $ 73.0 |
| | | |
| **Cash dividends declared per common share** | **$ 0.165** | $ 0.15 |

The Notes to Condensed Consolidated Financial Statements are an integral part of these consolidated statements.

**BRUNSWICK CORPORATION**
**Condensed Consolidated Balance Sheets**
**(unaudited)**

| (in millions) | April 1, 2017 | December 31, 2016 | April 2, 2016 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents, at cost, which approximates fair value | **$ 273.3** | $ 422.4 | $ 282.2 |
| Restricted cash | **11.2** | 11.2 | 12.7 |
| Short-term investments in marketable securities | **0.7** | 35.8 | 0.8 |
| Total cash and short-term investments in marketable securities | **285.2** | 469.4 | 295.7 |
| Accounts and notes receivable, less allowances of $10.5, $12.8 and $14.9 | **529.5** | 417.3 | 526.3 |
| Inventories | | | |
| Finished goods | **533.5** | 502.7 | 481.8 |
| Work-in-process | **110.8** | 91.1 | 98.3 |
| Raw materials | **173.3** | 168.3 | 157.3 |
| Net inventories | **817.6** | 762.1 | 737.4 |
| Prepaid expenses and other | **38.7** | 39.7 | 50.0 |
| **Current assets** | **1,671.0** | 1,688.5 | 1,609.4 |
| | | | |
| **Property** | | | |
| Land | **21.3** | 24.3 | 22.8 |
| Buildings and improvements | **399.7** | 406.4 | 378.4 |
| Equipment | **983.1** | 979.2 | 910.4 |
| Total land, buildings and improvements and equipment | **1,404.1** | 1,409.9 | 1,311.6 |
| Accumulated depreciation | **(887.0)** | (892.3) | (870.1) |
| Net land, buildings and improvements and equipment | **517.1** | 517.6 | 441.5 |
| Unamortized product tooling costs | **135.9** | 127.7 | 108.9 |
| **Net property** | **653.0** | 645.3 | 550.4 |
| | | | |
| **Other assets** | | | |
| Goodwill | **416.0** | 413.8 | 380.3 |
| Other intangibles, net | **163.3** | 164.8 | 136.8 |
| Equity investments | **26.6** | 20.7 | 27.3 |
| Deferred income tax asset | **297.6** | 307.8 | 372.1 |
| Other long-term assets | **46.4** | 43.8 | 46.4 |
| **Other assets** | **949.9** | 950.9 | 962.9 |
| | | | |
| **Total assets** | **$ 3,273.9** | $ 3,284.7 | $ 3,122.7 |

The Notes to Condensed Consolidated Financial Statements are an integral part of these consolidated statements.

**BRUNSWICK CORPORATION**
**Condensed Consolidated Balance Sheets**
**(unaudited)**

| (in millions) | April 1, 2017 | December 31, 2016 | April 2, 2016 |
|---|---|---|---|
| **Liabilities and shareholders' equity** | | | |
| **Current liabilities** | | | |
| Current maturities of long-term debt | **$ 6.4** | $ 5.9 | $ 4.8 |
| Accounts payable | **406.8** | 392.7 | 362.0 |
| Accrued expenses | **543.3** | 566.3 | 529.4 |
| **Current liabilities** | **956.5** | 964.9 | 896.2 |
| | | | |
| **Long-term liabilities** | | | |
| Debt | **435.4** | 436.5 | 446.1 |
| Postretirement benefits | **239.7** | 276.3 | 310.7 |
| Other | **168.7** | 166.9 | 164.4 |
| **Long-term liabilities** | **843.8** | 879.7 | 921.2 |
| | | | |
| **Shareholders' equity** | | | |
| Common stock; authorized: 200,000,000 shares, $0.75 par value; issued: 102,538,000 shares; outstanding: 89,365,000, 89,317,000 and 90,712,000 shares | **76.9** | 76.9 | 76.9 |
| Additional paid-in capital | **364.1** | 382.0 | 380.7 |
| Retained earnings | **1,931.1** | 1,881.0 | 1,711.7 |
| Treasury stock, at cost: 13,173,000, 13,221,000 and 11,826,000 shares | **(471.1)** | (465.2) | (398.1) |
| Accumulated other comprehensive loss, net of tax | **(427.4)** | (434.6) | (465.9) |
| **Shareholders' equity** | **1,473.6** | 1,440.1 | 1,305.3 |
| | | | |
| **Total liabilities and shareholders' equity** | **$ 3,273.9** | $ 3,284.7 | $ 3,122.7 |

The Notes to Condensed Consolidated Financial Statements are an integral part of these consolidated statements.

**BRUNSWICK CORPORATION**
**Condensed Consolidated Statements of Cash Flows**
**(unaudited)**

| (in millions) | Three Months Ended April 1, 2017 | Three Months Ended April 2, 2016 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net earnings | $ 64.9 | $ 64.8 |
| Less: earnings from discontinued operations, net of tax | — | 1.6 |
| Net earnings from continuing operations | 64.9 | 63.2 |
| Depreciation and amortization | 27.2 | 25.4 |
| Pension funding, net of expense | (33.6) | (32.2) |
| Deferred income taxes | 12.6 | 20.1 |
| Equity in earnings of unconsolidated affiliates | (2.3) | (0.8) |
| Changes in certain current assets and current liabilities | (162.1) | (153.1) |
| Income taxes | 1.1 | (4.0) |
| Other, net | 5.9 | (1.4) |
| **Net cash used for operating activities of continuing operations** | (86.3) | (82.8) |
| **Net cash used for operating activities of discontinued operations** | (0.3) | (3.0) |
| **Net cash used for operating activities** | (86.6) | (85.8) |
| **Cash flows from investing activities** | | |
| Capital expenditures | (60.8) | (46.2) |
| Sales or maturities of marketable securities | 35.0 | 10.7 |
| Investments | (3.6) | (3.6) |
| Acquisition of businesses, net of cash acquired | — | (195.0) |
| Proceeds from the sale of property, plant and equipment | 7.6 | 0.1 |
| Other, net | (0.5) | 1.3 |
| **Net cash used for investing activities** | (22.3) | (232.7) |
| **Cash flows from financing activities** | | |
| Payments of long-term debt including current maturities | (0.2) | (0.1) |
| Common stock repurchases | (20.0) | (40.0) |
| Cash dividends paid | (14.8) | (13.6) |
| Proceeds from share-based compensation activity | 3.2 | 11.6 |
| Tax withholding associated with shares issued for share-based compensation | (11.4) | (17.4) |
| **Net cash used for financing activities** | (43.2) | (59.5) |
| Effect of exchange rate changes | 3.0 | 2.9 |
| Net decrease in Cash and cash equivalents and Restricted cash | (149.1) | (375.1) |
| Cash and cash equivalents and Restricted cash at beginning of period | 433.6 | 670.0 |
| **Cash and cash equivalents and Restricted cash at end of period** | 284.5 | 294.9 |
| Less: Restricted cash | 11.2 | 12.7 |
| **Cash and cash equivalents at end of period** | $ 273.3 | $ 282.2 |

The Notes to Condensed Consolidated Financial Statements are an integral part of these consolidated statements.

**BRUNSWICK CORPORATION**
**Notes to Condensed Consolidated Financial Statements**
**(unaudited)**

**Note 1 – Significant Accounting Policies**

*Interim Financial Statements.* The unaudited interim condensed consolidated financial statements of Brunswick Corporation (Brunswick or the Company) have been prepared pursuant to Securities and Exchange Commission (SEC) rules and regulations. Therefore, certain information and disclosures normally included in financial statements and related notes prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) have been condensed or omitted. Certain previously reported amounts have been reclassified to conform to the current period presentation, including reclassifying prior periods' Deferred income tax liability to Other long-term liabilities on the Condensed Consolidated Balance Sheets.

These financial statements should be read in conjunction with, and have been prepared in conformity with, the accounting principles reflected in the consolidated financial statements and related notes included in Brunswick’s 2016 Annual Report on Form 10-K for the year ended December 31, 2016 (the 2016 Form 10-K). These results include, in management's opinion, all normal and recurring adjustments necessary to present fairly Brunswick's financial position as of April 1, 2017, December 31, 2016 and April 2, 2016, the results of operations for the three months ended April 1, 2017 and April 2, 2016, and the cash flows for the three months ended April 1, 2017 and April 2, 2016. Due to the seasonality of Brunswick’s businesses, the interim results are not necessarily indicative of the results that may be expected for the remainder of the year.

The Company maintains its financial records on the basis of a fiscal year ending on December 31, with the fiscal quarters spanning approximately thirteen weeks. The first quarter ends on the Saturday closest to the end of the first thirteen-week period. The second and third quarters are thirteen weeks in duration and the fourth quarter is the remainder of the year. The first quarter of fiscal year 2017 ended on April 1, 2017, and the first quarter of fiscal year 2016 ended on April 2, 2016.

*Recent Accounting Pronouncements.* The following are recent accounting pronouncements that have been adopted during 2017, or will be adopted in future periods.

Presentation of Benefit Costs: In March 2017, the Financial Accounting Standards Board (FASB) amended the Accounting Standards Codification (ASC) related to the income statement presentation of the components of net periodic benefit cost for an entity’s sponsored defined benefit pension and other postretirement plans. The amendments require entities to present the current-service-cost component with other current compensation costs in the income statement and present the other components outside of income from operations. The amendment is effective for interim and annual periods beginning after December 15, 2017, with early adoption permitted. The Company is currently evaluating the impact of adopting this ASC amendment, but does not expect it will have a material impact on the Company's condensed consolidated financial statements.

Definition of a Business: In January 2017, the FASB amended the ASC to clarify the definition of a business and to provide a framework for making reasonable judgments about whether a transaction involves an asset or a business when determining accounting treatment of a transaction as an asset acquisition or a business combination. The amendment is to be applied prospectively and is effective for fiscal years, and the interim periods within those years, beginning after December 15, 2017, with early adoption permitted. The Company early adopted this amendment in 2017 and it did not have an impact on the Company's condensed consolidated financial statements.

Restricted Cash: In November 2016, the FASB amended the ASC to address diversity in practice related to the cash flow classification of restricted cash. Under the amendment, an entity should include restricted cash within cash and cash equivalents on the Condensed Consolidated Statements of Cash Flows and provide a reconciliation to cash and cash equivalents on the Condensed Consolidated Balance Sheets. The Company early adopted this ASC on a retrospective basis, as required, during the first quarter of 2017 and it did not have a material impact on the Company's condensed consolidated financial statements.

Statement of Cash Flows Classifications: In August 2016, the FASB amended the ASC to add and/or clarify guidance on the classification of certain transactions in the statement of cash flows. The amendment is to be applied retrospectively and is effective for fiscal years, and the interim periods within those years, beginning after December 15, 2017, with early adoption permitted. The Company is currently evaluating the impact it will have on the Company's Condensed Consolidated Statements of Cash Flows.

Share-Based Compensation: In March 2016, the FASB amended the ASC to simplify the accounting for employee share-based payment transactions. The Company adopted this amendment during the first quarter of 2017, and recognized $5.3 million of net excess tax benefits related to share-based payments in the income tax provision for the three months ended April 1, 2017. These net excess tax benefits were historically recorded in additional paid-in capital when recognized. Additionally, the Company adopted the amendment retrospectively for presentation of net excess tax benefits on the Condensed Consolidated Statements of Cash Flows, resulting in an increase of $7.4 million in Net cash provided by operating activities and Net cash used for financing activities for the three months ended April 2, 2016. The Company elected to recognize forfeitures of share-based awards as they occur. The remaining amendments, including those related to statutory withholding requirements, did not have a material impact.

Recognition of Leases: In February 2016, the FASB amended the ASC to require lessees to recognize assets and liabilities on the balance sheet for all leases with terms greater than twelve months. Lessees will recognize expenses similar to current lease accounting. The amendment is to be applied using a modified retrospective method with certain practical expedients, and is effective for fiscal years and interim periods within those years, beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the impact that the adoption of the new standard will have on the Company's condensed consolidated financial statements.

Measurement of Inventory: In July 2015, the FASB issued final guidance to simplify the subsequent measurement of inventories by replacing the lower of cost or market test with a lower of cost and net realizable value test. The guidance applies to inventories for which cost is determined by methods other than LIFO and the retail inventory method. The Company adopted this ASC during the first quarter of 2017 and it did not have an impact on the Company's condensed consolidated financial statements.

Revenue Recognition: In May 2014, the FASB issued a final standard on revenue recognition which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. This standard will supersede current revenue recognition guidance. Under the new standard, entities are required to identify the contract with a customer; identify the separate performance obligations in the contract; determine the transaction price; allocate the transaction price to the separate performance obligations in the contract; and recognize the appropriate amount of revenue when (or as) the entity satisfies each performance obligation. In August 2015, the FASB amended the ASC to delay the effective date to fiscal years, and the interim periods within those years, beginning on or after January 1, 2018, from the original effective date of January 1, 2017, with early adoption permitted no earlier than January 1, 2017. Entities have the option of using either retrospective transition or a modified approach in applying the new standard.

The Company plans to use the modified retrospective approach in applying the new standard. While the Company continues to assess the impact of the adoption of the new standard on the condensed consolidated financial statements, the most significant impacts are expected to be in the Boat and Fitness segments. In the Boat segment, certain customers are offered retail promotions that are currently recorded at the later of when the program has been communicated to the customer or at the time of sale. Under the new standard, these promotions will now be recognized at the time of sale, primarily upon shipment to customers. In the Fitness segment, certain customer contracts include product rebates recorded in cost of sales at the time of sale. Under the new standard, the Company will no longer record the rebate at the time of sale; however a portion of revenue will be deferred and not recognized until such time that the rebate is redeemed.

As a result, the Company expects a change in the timing of when certain promotions and rebates are recorded; however does not expect a change in the total amount of cumulative revenue recognized for each transaction.

**Note 2 – Restructuring, Exit and Integration Activities**

In the first quarter of 2017, the Company announced that it will close its boat manufacturing facility in Joinville, Santa Catarina, Brazil, as a result of continued market weakness and unfavorable foreign currency impacts in the region. The facility manufactures certain Bayliner and Sea Ray boat models for the Latin American market. The long-lived assets at this facility were previously fully impaired.

In the first quarter of 2017, the Company also recorded restructuring charges within Corporate related to the transition of certain corporate officers.

The Company acquired Cybex International, Inc. (Cybex) in the first quarter of 2016 and executed certain integration activities within the Fitness segment in 2016 and 2017.

The Company recorded restructuring, exit and integration charges in the Condensed Consolidated Statements of Comprehensive Income as a result of these activities. The following table is a summary of the expense associated with the restructuring, exit and integration activities for the three months ended April 1, 2017 and April 2, 2016, as discussed above:

| | April 1, 2017 | | | | April 2, 2016 | |
|---|---|---|---|---|---|---|
| **(in millions)** | **Corporate** | **Fitness** | **Boat** | **Total** | **Fitness** | **Total** |
| Restructuring and exit activities: | | | | | | |
| Employee termination and other benefits | $ 2.4 | $ — | $ 2.2 | **$ 4.6** | $ — | **$ —** |
| Current asset write-downs | — | — | 7.2 | **7.2** | — | **—** |
| Professional fees | — | — | 0.8 | **0.8** | — | **—** |
| Other | — | — | 0.2 | **0.2** | — | **—** |
| Integration activities: | | | | | | |
| Employee termination and other benefits | — | 1.1 | — | **1.1** | 1.9 | **1.9** |
| Professional fees | — | 1.2 | — | **1.2** | 1.4 | **1.4** |
| Other | — | 0.1 | — | **0.1** | 0.5 | **0.5** |
| Total restructuring, exit and integration charges | $ 2.4 | $ 2.4 | $ 10.4 | **$ 15.2** | $ 3.8 | **$ 3.8** |

During 2017, the Company made cash payments of $5.5 million relating to all restructuring, exit and integration activities, including payments related to prior period restructuring, exit and integration activities. As of April 1, 2017, accruals remaining for all restructuring, exit and integration activities totaled $7.5 million and are expected to be paid during 2017 and 2018.

**Note 3 – Financial Instruments**

The Company operates globally with manufacturing and sales facilities in various locations around the world. Due to the Company's global operations, the Company engages in activities involving both financial and market risks. The Company utilizes normal operating and financing activities, along with derivative financial instruments, to minimize these risks.

*Derivative Financial Instruments.* The Company uses derivative financial instruments to manage its risks associated with movements in foreign currency exchange rates, interest rates and commodity prices. Derivative instruments are not used for trading or speculative purposes. The fair value of derivative financial instruments is determined through market-based valuations and may not be representative of the actual gains or losses that will be recorded when these instruments mature due to future fluctuations in the markets in which they are traded. The effects of derivative financial instruments are not expected to be material to the Company's financial position or results of operations when considered together with the underlying exposure being hedged. Use of derivative financial instruments exposes the Company to credit risk with its counterparties when the fair value of a derivative contract is an asset. The Company mitigates this risk by entering into derivative contracts with highly rated counterparties. The maximum amount of loss due to counterparty credit risk is limited to the asset value of derivative financial instruments.

The Company formally documents its cash flow and fair value hedge relationships, including identification of the hedging instruments and the hedged items, as well as its risk management objectives and strategies for undertaking each hedge transaction. This process includes linking derivatives that are designated as hedges to specific forecasted transactions. The Company also assesses, both at the hedge's inception and monthly thereafter, whether the derivatives used in hedging transactions are highly effective in offsetting the changes in the anticipated cash flows of the hedged item. If the hedging relationship ceases to be highly effective, or it becomes probable that a forecasted transaction is no longer expected to occur, the Company discontinues hedge accounting prospectively and immediately recognizes the gains and losses associated with those hedges. There were no material adjustments as a result of ineffectiveness to the results of operations for the three months ended April 1, 2017 and April 2, 2016.

*Cash Flow Hedges.* The Company enters into certain derivative instruments that are designated and qualify as cash flow hedges. The Company executes both forward and option contracts, based on forecasted transactions, to manage foreign currency exchange exposure mainly related to inventory purchase and sales transactions. From time-to-time, the Company enters into commodity swap agreements based on anticipated purchases of copper and natural gas to manage risk related to price changes. Additionally, the Company may enter into forward-starting interest rate swaps to hedge the interest rate risk associated with the anticipated issuance of debt.

A cash flow hedge requires that as changes in the fair value of derivatives occur, the portion of the change deemed to be effective is recorded temporarily in Accumulated other comprehensive loss, an equity account, and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. As of April 1, 2017, the term of derivative instruments hedging forecasted transactions ranged from one to 18 months.

*Fair Value Hedges.* The Company enters into fixed-to-floating interest rate swaps to convert a portion of the Company's long-term debt from fixed to floating rate debt. An interest rate swap is entered into with the expectation that the change in the fair value of the interest rate swap will offset the change in the fair value of the debt instrument attributable to changes in the benchmark interest rate. Each period, the fair value of the interest rate swap is recorded as an asset or liability with an equal amount recorded in debt. The difference between the fixed interest payments and floating interest receipts is recorded as a net adjustment to interest expense.

*Other Hedging Activity.* The Company has entered into certain foreign currency forward contracts that have not been designated as a hedge for accounting purposes. These contracts are used to manage foreign currency exposure related to changes in the value of assets or liabilities caused by changes in foreign exchange rates. The change in the fair value of the foreign currency derivative contract and the corresponding change in the fair value of the asset or liability of the Company are both recorded through earnings, each period as incurred. From time-to-time, the Company enters into commodity swap agreements that are used to hedge purchases of aluminum. These hedges do not qualify for hedge accounting. The commodity swap agreements are based on anticipated purchases of aluminum and are used to manage risk related to price changes. The change in the fair value of the aluminum derivative contract is recorded through earnings, each period as incurred.

*Foreign Currency Derivatives.* Forward exchange contracts outstanding at April 1, 2017, December 31, 2016 and April 2, 2016 had notional contract values of $282.0 million, $263.7 million and $232.1 million, respectively. Option contracts outstanding at April 1, 2017, December 31, 2016 and April 2, 2016 had notional contract values of $0.5 million, $30.4 million and $48.3 million, respectively. The forward and options contracts outstanding at April 1, 2017 mature during 2017 and 2018 and mainly relate to the Euro, Japanese yen, Canadian dollar, Australian dollar, Swedish krona, Brazilian real, Norwegian krone, Mexican peso, Hungarian forint, British pound and New Zealand dollar. As of April 1, 2017, the Company estimates that during the next 12 months, it will reclassify approximately $2.0 million of net gains (based on current rates) from Accumulated other comprehensive loss to Cost of sales.

*Interest Rate Derivatives.* The Company enters into fixed-to-floating interest rate swaps to convert a portion of the Company's long-term debt from fixed to floating rate debt. As of April 1, 2017, December 31, 2016 and April 2, 2016, the outstanding swaps had notional contract values of $200.0 million, of which $150.0 million corresponds to the Company's 4.625 percent Senior notes due 2021 and $50.0 million corresponds to the Company's 7.375 percent Debentures due 2023.

As of April 1, 2017, December 31, 2016 and April 2, 2016, the Company had $4.2 million, $4.5 million and $5.1 million, respectively, of net deferred losses associated with all settled forward-starting interest rate swaps, which were included in Accumulated other comprehensive loss. As of April 1, 2017, the Company estimates that during the next 12 months, it will reclassify approximately $1.1 million of net losses resulting from settled forward-starting interest rate swaps from Accumulated other comprehensive loss to Interest expense.

*Commodity Price Derivatives.* There were no commodity swap contracts outstanding at April 1, 2017 and December 31, 2016. As of April 2, 2016, the notional value of commodity swap contracts outstanding was $7.6 million. The amount of gain or loss associated with the change in fair value of these instruments is either recorded through earnings each period as incurred or, if designated as cash flow hedges, deferred in Accumulated other comprehensive loss and recognized in Cost of sales in the same period or periods during which the hedged transaction affects earnings.

**BRUNSWICK CORPORATION**
**Notes to Condensed Consolidated Financial Statements**
**(unaudited)**

As of April 1, 2017, December 31, 2016 and April 2, 2016, the fair values of the Company's derivative instruments were:

**(in millions)**

| | Derivative Assets | | | | Derivative Liabilities | | | |
|---|---|---|---|---|---|---|---|---|
| **Instrument** | **Balance Sheet Location** | **Fair Value** | | | **Balance Sheet Location** | **Fair Value** | | |
| | | **Apr. 1, 2017** | **Dec. 31, 2016** | **Apr. 2, 2016** | | **Apr. 1, 2017** | **Dec. 31, 2016** | **Apr. 2, 2016** |
| **Derivatives Designated as Cash Flow Hedges** | | | | | | | | |
| Foreign exchange contracts | Prepaid expenses and other | **$ 3.3** | $ 7.2 | $ 2.8 | Accrued expenses | **$ 1.8** | $ 2.6 | $ 3.9 |
| Commodity contracts | Prepaid expenses and other | **—** | — | — | Accrued expenses | **—** | — | 0.3 |
| Total | | **$ 3.3** | $ 7.2 | $ 2.8 | | **$ 1.8** | $ 2.6 | $ 4.2 |
| **Derivatives Designated as Fair Value Hedges** | | | | | | | | |
| Interest rate contracts | Prepaid expenses and other | **$ 2.9** | $ 2.1 | $ 2.9 | Accrued expenses | **$ 2.3** | $ 1.7 | $ 2.0 |
| Interest rate contracts | Other long-term assets | **1.4** | 0.7 | 6.5 | Other long-term liabilities | **0.0** | 0.2 | — |
| Total | | **$ 4.3** | $ 2.8 | $ 9.4 | | **$ 2.3** | $ 1.9 | $ 2.0 |
| **Other Hedging Activity** | | | | | | | | |
| Foreign exchange contracts | Prepaid expenses and other | **$ 0.2** | $ 1.2 | $ 0.3 | Accrued expenses | **$ 1.2** | $ 0.3 | $ 0.6 |
| Commodity contracts | Prepaid expenses and other | **—** | — | — | Accrued expenses | **—** | — | 1.6 |
| Total | | **$ 0.2** | $ 1.2 | $ 0.3 | | **$ 1.2** | $ 0.3 | $ 2.2 |

The effect of derivative instruments on the Condensed Consolidated Statements of Comprehensive Income for the three months ended April 1, 2017 and April 2, 2016 was:

**(in millions)**

| **Derivatives Designated as Cash Flow Hedging Instruments** | **Amount of Gain (Loss) on Derivatives Recognized in Accumulated Other Comprehensive Loss (Effective Portion)** | | **Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Earnings (Effective Portion)** | **Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Earnings (Effective Portion)** | |
|---|---|---|---|---|---|
| | **Apr. 1, 2017** | **Apr. 2, 2016** | | **Apr. 1, 2017** | **Apr. 2, 2016** |
| Interest rate contracts | **$ —** | $ — | Interest expense | **$ (0.3)** | $ (0.0) |
| Foreign exchange contracts | **(2.5)** | (4.3) | Cost of sales | **1.0** | 2.6 |
| Commodity contracts | **—** | 0.0 | Cost of sales | **(0.0)** | (0.2) |
| Total | **$ (2.5)** | $ (4.3) | | **$ 0.7** | $ 2.4 |

| **Derivatives Designated as Fair Value Hedging Instruments** | **Location of Gain (Loss) on Derivatives Recognized in Earnings** | **Amount of Gain (Loss) on Derivatives Recognized in Earnings** | |
|---|---|---|---|
| | | **Apr. 1, 2017** | **Apr. 2, 2016** |
| Interest rate contracts | Interest expense | **$ 0.6** | $ 0.8 |

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| Other Hedging Activity | Location of Gain (Loss) on Derivatives Recognized in Earnings | Amount of Gain (Loss) on Derivatives Recognized in Earnings | |
|---|---|---|---|
| | | Apr. 1, 2017 | Apr. 2, 2016 |
| Foreign exchange contracts | Cost of sales | **$ (3.9)** | $ (4.8) |
| Foreign exchange contracts | Other income, net | **(0.7)** | 0.4 |
| Commodity contracts | Cost of sales | **—** | (0.1) |
| Total | | **$ (4.6)** | $ (4.5) |

*Fair Value of Other Financial Instruments.* The carrying values of the Company's short-term financial instruments, including cash and cash equivalents, accounts and notes receivable and short-term debt approximate their fair values because of the short maturity of these instruments. At April 1, 2017, December 31, 2016 and April 2, 2016, the fair value of the Company's long-term debt was approximately $495.8 million, $498.5 million and $462.1 million, respectively, and was determined using Level 1 and Level 2 inputs described in Note 7 – Fair Value Measurements in the Notes to Consolidated Financial Statements in the 2016 Form 10-K. The carrying value of long-term debt, including current maturities, was $443.0 million, $444.6 million and $447.5 million as of April 1, 2017, December 31, 2016 and April 2, 2016, respectively.

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**Note 4 – Fair Value Measurements**

The following table summarizes the Company’s financial assets and liabilities measured at fair value on a recurring basis as of April 1, 2017:

| (in millions) | Level 1 | Level 2 | Total |
|---|---|---|---|
| Assets: | | | |
| Cash equivalents | $ 3.7 | $ — | **$ 3.7** |
| Short-term investments in marketable securities | 0.7 | — | **0.7** |
| Restricted cash | 11.2 | — | **11.2** |
| Derivatives | — | 7.8 | **7.8** |
| Total assets | $ 15.6 | $ 7.8 | **$ 23.4** |
| | | | |
| Liabilities: | | | |
| Derivatives | $ — | $ 5.3 | **$ 5.3** |
| Deferred compensation | 4.4 | 30.0 | **34.4** |
| Total liabilities at fair value | $ 4.4 | $ 35.3 | **$ 39.7** |
| Liabilities measured at net asset value | | | **11.7** |
| Total liabilities | | | **$ 51.4** |

The following table summarizes the Company’s financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2016:

| (in millions) | Level 1 | Level 2 | Total |
|---|---|---|---|
| Assets: | | | |
| Cash equivalents | $ 4.6 | $ 14.3 | **$ 18.9** |
| Short-term investments in marketable securities | 0.8 | 35.0 | **35.8** |
| Restricted cash | 11.2 | — | **11.2** |
| Derivatives | — | 11.2 | **11.2** |
| Total assets | $ 16.6 | $ 60.5 | **$ 77.1** |
| | | | |
| Liabilities: | | | |
| Derivatives | $ — | $ 4.8 | **$ 4.8** |
| Deferred compensation | 4.2 | 28.1 | **32.3** |
| Total liabilities at fair value | $ 4.2 | $ 32.9 | **$ 37.1** |
| Liabilities measured at net asset value | | | **11.6** |
| Total liabilities | | | **$ 48.7** |

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The following table summarizes the Company's financial assets and liabilities measured at fair value on a recurring basis as of April 2, 2016:

| (in millions) | Level 1 | Level 2 | Total |
|---|---|---|---|
| Assets: | | | |
| Cash equivalents | $ 9.4 | $ — | **$ 9.4** |
| Short-term investments in marketable securities | 0.8 | — | **0.8** |
| Restricted cash | 12.7 | — | **12.7** |
| Derivatives | — | 12.5 | **12.5** |
| Total assets | $ 22.9 | $ 12.5 | **$ 35.4** |
| | | | |
| Liabilities: | | | |
| Derivatives | $ — | $ 8.4 | **$ 8.4** |
| Deferred compensation | 3.8 | 36.2 | **40.0** |
| Total liabilities at fair value | $ 3.8 | $ 44.6 | **$ 48.4** |
| Liabilities measured at net asset value | | | **11.6** |
| Total liabilities | | | **$ 60.0** |

In addition to the items shown in the tables above, refer to Note 17 in the Notes to Consolidated Financial Statements in the 2016 Form 10-K for further discussion regarding the fair value measurements associated with the Company's postretirement benefit plans.

**Note 5 – Share-Based Compensation**

Under the Brunswick Corporation 2014 Stock Incentive Plan, the Company may grant stock options, stock appreciation rights (SARs), non-vested stock awards and performance awards to executives, other employees and non-employee directors from treasury shares and from authorized, but unissued, shares of common stock, in addition to: (i) the forfeiture of past awards; (ii) shares not issued upon the net settlement of SARs; or (iii) shares delivered to or withheld by the Company to pay the withholding taxes related to awards. As of April 1, 2017, 5.4 million shares remained available for grant.

*Non-vested stock awards*

The Company grants both stock-settled and cash-settled non-vested stock units and awards to key employees as determined by management and the Human Resources and Compensation Committee of the Board of Directors. The Company granted 0.2 million and 0.3 million of stock awards during the three months ended April 1, 2017 and April 2, 2016, respectively. The Company recognizes the cost of non-vested stock units and awards on a straight-line basis over the requisite vesting period. Additionally, cash-settled non-vested stock units and awards are recorded as a liability in the balance sheet and adjusted to fair value each reporting period through stock compensation expense. During the three months ended April 1, 2017 and April 2, 2016, the Company charged $2.8 million and $1.6 million, respectively, to compensation expense for non-vested stock awards.

As of April 1, 2017, there was $16.9 million of total unrecognized compensation expense related to stock awards compensation arrangements. The Company expects this cost to be recognized over a weighted average period of 1.7 years.

*Performance awards*

In February of both 2017 and 2016, the Company granted 0.1 million performance shares to certain senior executives. The 2017 and 2016 share awards are based on three performance measures: a cash flow return on investment (CFROI) measure, an operating margin (OM) measure and a total shareholder return (TSR) modifier. Performance shares are earned based on a three-year performance period commencing at the beginning of the calendar year of each grant. The performance shares earned are then subject to a TSR modifier based on stock returns measured against stock returns of a predefined comparator group over a three-year performance period. Additionally, in February of 2017 and 2016, the Company granted 26,300 and 38,690 performance shares, respectively, to certain officers and certain senior managers based on the respective measures and performance periods described above but excluding the TSR modifier. Based on projections of probable attainment of the performance measures and the projected

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TSR modifier used to determine the performance awards, $1.3 million and $1.2 million was charged to compensation expense for the three months ended April 1, 2017 and April 2, 2016, respectively.

The fair values of the senior executives' performance share award grants with a TSR modifier for grants in 2017 and 2016 were $64.82 and $38.54, respectively, which were estimated using the Monte Carlo valuation model, and incorporated the following assumptions:

| | 2017 | 2016 |
|---|---|---|
| Risk-free interest rate | **1.5%** | 0.8% |
| Dividend yield | **1.1%** | 1.0% |
| Volatility factor | **38.3%** | 40.8% |
| Expected life of award | **2.9 years** | 2.9 years |

The fair value of the certain officers' and certain senior managers' performance awards granted based solely on the CFROI and OM performance factors was $58.77 and $37.76 in 2017 and 2016, respectively, which was equal to the stock price on the date of grant in 2017 and 2016, respectively, less the present value of dividend payments over the vesting period.

As of April 1, 2017, the Company had $8.1 million of total unrecognized compensation expense related to performance awards. The Company expects this cost to be recognized over a weighted average period of 1.6 years.

*Director Awards*

The Company issues stock awards to non-employee directors in accordance with the terms and conditions determined by the Nominating and Corporate Governance Committee of the Board of Directors. A portion of each director’s annual fee is paid in Brunswick common stock, the receipt of which may be deferred until a director retires from the Board of Directors. Each director may elect to have the remaining portion paid in cash, in Brunswick common stock distributed at the time of the award or in deferred Brunswick common stock with a 20 percent premium.

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**Note 6 – Earnings per Common Share**

Basic earnings per common share is calculated by dividing Net earnings by the weighted average outstanding shares which includes certain vested, unissued equity awards. Diluted earnings per common share is calculated similarly, except that the calculation includes the dilutive effect of stock-settled SARs, non-vested stock awards and performance awards.

Basic and diluted earnings per common share for the three months ended April 1, 2017 and April 2, 2016 were calculated as follows:

| (in millions, except per share data) | April 1, 2017 | April 2, 2016 |
|---|---|---|
| Net earnings from continuing operations | **$ 64.9** | $ 63.2 |
| Net earnings from discontinued operations, net of tax | — | 1.6 |
| Net earnings | **$ 64.9** | $ 64.8 |
| | | |
| Weighted average outstanding shares-basic | **90.1** | 91.8 |
| Dilutive effect of common stock equivalents | **1.0** | 1.0 |
| Weighted average outstanding shares-diluted | **91.1** | 92.8 |
| | | |
| Basic earnings per common share: | | |
| Continuing operations | **$ 0.72** | $ 0.69 |
| Discontinued operations | — | 0.02 |
| Net earnings | **$ 0.72** | $ 0.71 |
| | | |
| Diluted earnings per common share: | | |
| Continuing operations | **$ 0.71** | $ 0.68 |
| Discontinued operations | — | 0.02 |
| Net earnings | **$ 0.71** | $ 0.70 |

There were no anti-dilutive shares of SARs that were excluded from the computation of diluted earnings per share for the periods ended April 1, 2017 and April 2, 2016.

**Note 7 – Commitments and Contingencies**

There were no material changes during the three months ended April 1, 2017 to the financial commitments or the legal and environmental commitments that were discussed in Note 13 in the Notes to Consolidated Financial Statements in the 2016 Form 10-K.

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*Product Warranties*

The Company records a liability for product warranties at the time revenue is recognized. The liability is estimated using historical warranty experience, projected claim rates and expected costs per claim. The Company adjusts its liability for specific warranty matters when they become known and the exposure can be estimated. Product failure rates as well as material usage and labor costs incurred in correcting a product failure affect the Company's warranty liabilities. If actual costs or projected experience differ from previously estimated costs, the Company must make a revision to the warranty liability. Changes in the Company's warranty liabilities resulting from the Company's experience and adjustments related to changes in estimates are included as Aggregate changes for preexisting warranties presented in the table below.

The following activity related to product warranty liabilities was recorded in Accrued expenses during the three months ended April 1, 2017 and April 2, 2016:

| (in millions) | April 1, 2017 | April 2, 2016 |
|---|---|---|
| Balance at beginning of period | **$ 112.6** | $ 106.3 |
| Payments made | **(14.7)** | (13.3) |
| Provisions/additions for contracts issued/sold | **18.5** | 16.1 |
| Aggregate changes for preexisting warranties | **(2.1)** | (3.3) |
| Foreign currency translation | **0.8** | 0.6 |
| Acquisitions | **—** | 6.4 |
| Other | **(1.9)** | — |
| Balance at end of period | **$ 113.2** | $ 112.8 |

Additionally, end users of the Company's products may purchase a contract from the Company that extends product warranty beyond the standard period. For certain extended warranty contracts in which the Company retains the warranty or administration obligation, a deferred liability is recorded based on the aggregate sales price for contracts sold. The deferred liability is reduced and revenue is recognized on a straight-line basis over the contract period during which costs are expected to be incurred.

The following activity related to deferred revenue for extended product warranty contracts was recorded in Accrued expenses and Other long-term liabilities during the three months ended April 1, 2017 and April 2, 2016:

| (in millions) | April 1, 2017 | April 2, 2016 |
|---|---|---|
| Balance at beginning of period | **$ 90.6** | $ 78.3 |
| Extended warranty contracts sold | **9.9** | 8.1 |
| Revenue recognized on existing extended warranty contracts | **(7.4)** | (7.0) |
| Foreign currency translation | **0.2** | (0.1) |
| Acquisitions | **—** | 2.0 |
| Balance at end of period | **$ 93.3** | $ 81.3 |

**Note 8 – Goodwill and Other Intangibles**

Changes in the Company's goodwill during the three months ended April 1, 2017, by segment, are summarized below:

| (in millions) | December 31, 2016 | Acquisitions | Impairments | Adjustments | April 1, 2017 |
|---|---|---|---|---|---|
| Marine Engine | $ 25.1 | $ — | $ — | $ 0.4 | **$ 25.5** |
| Boat | 2.2 | — | — | — | **2.2** |
| Fitness | 386.5 | — | — | 1.8 | **388.3** |
| Total | $ 413.8 | $ — | $ — | $ 2.2 | **$ 416.0** |

Changes in the Company's goodwill during the three months ended April 2, 2016, by segment, are summarized below:

| (in millions) | December 31, 2015 | Acquisitions | Impairments | Adjustments | April 2, 2016 |
|---|---|---|---|---|---|
| Marine Engine | $ 26.2 | $ — | $ — | $ (0.2) | **$ 26.0** |
| Fitness | 272.5 | 81.9 | — | (0.1) | **354.3** |
| Total | $ 298.7 | $ 81.9 | $ — | $ (0.3) | **$ 380.3** |

Adjustments for the three months ended April 1, 2017 and April 2, 2016 primarily relate to the effect of foreign currency translation on goodwill denominated in currencies other than the U.S. dollar.

As of April 1, 2017, December 31, 2016 and April 2, 2016, the Company had no accumulated impairment loss.

The Company's intangible assets, included within Other intangibles, net on the Condensed Consolidated Balance Sheets as of April 1, 2017, December 31, 2016 and April 2, 2016 are summarized below:

| | April 1, 2017 | | December 31, 2016 | | April 2, 2016 | |
|---|---|---|---|---|---|---|
| (in millions) | Gross Amount | Accumulated Amortization | Gross Amount | Accumulated Amortization | Gross Amount | Accumulated Amortization |
| Intangible assets: | | | | | | |
| Customer relationships | **$ 300.7** | **$ (232.8)** | $ 300.1 | $ (231.1) | $ 281.9 | $ (227.0) |
| Trade names | **88.2** | **—** | 88.1 | — | 76.2 | — |
| Other | **22.4** | **(15.2)** | 22.4 | (14.7) | 19.4 | (13.7) |
| Total | **$ 411.3** | **$ (248.0)** | $ 410.6 | $ (245.8) | $ 377.5 | $ (240.7) |

Other intangible assets primarily consist of patents. Gross amounts and related accumulated amortization amounts include adjustments related to the impact of foreign currency translation. Aggregate amortization expense for intangibles was $2.0 million and $1.4 million for the three months ended April 1, 2017 and April 2, 2016, respectively.

**Note 9 – Segment Data**

Brunswick is a manufacturer and marketer of leading consumer brands and has three operating and reportable segments: Marine Engine, Boat and Fitness. The Company's segments are defined by management's reporting structure and operating activities.

The Company evaluates performance based on business segment operating earnings. Segment operating earnings do not include the expenses of corporate administration, pension costs, pension settlement charges, earnings from unconsolidated equity affiliates, other expenses and income of a non-operating nature, interest expense, interest income or provisions for income taxes.

Corporate/Other results include items such as corporate staff and administrative costs. Corporate/Other total assets consist of mainly cash, cash equivalents and investments in marketable securities, restricted cash, income tax balances and investments in unconsolidated affiliates. Marine eliminations adjust for sales between the Marine Engine and Boat segments, primarily for the sale of engines and parts and accessories to various boat brands, which are consummated at established arm's length transfer prices as the intersegment pricing for these engines and parts and accessories are based upon and consistent with selling prices to third party customers.

**Operating Segments**

The following table sets forth net sales and operating earnings (loss) of each of the Company's reportable segments, for the three months ended April 1, 2017 and April 2, 2016:

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| | Net Sales | | Operating Earnings (Loss) | |
|---|---|---|---|---|
| **(in millions)** | **April 1, 2017** | **April 2, 2016** | **April 1, 2017** | **April 2, 2016** |
| Marine Engine | **$ 631.8** | $ 595.5 | **$ 88.5** | $ 78.3 |
| Boat | **382.7** | 336.8 | **3.2** | 16.4 |
| Marine eliminations | **(89.8)** | (80.3) | **—** | — |
| Total Marine | **924.7** | 852.0 | **91.7** | 94.7 |
| Fitness | **235.6** | 218.3 | **18.3** | 20.1 |
| Pension costs | **—** | — | **(2.3)** | (3.7) |
| Corporate/Other | **—** | — | **(18.7)** | (15.1) |
| Total | **$ 1,160.3** | $ 1,070.3 | **$ 89.0** | $ 96.0 |

The following table sets forth total assets of each of the Company's reportable segments:

| | Total Assets | | |
|---|---|---|---|
| **(in millions)** | **April 1, 2017** | **December 31, 2016** | **April 2, 2016** |
| Marine Engine | **$ 1,251.3** | $ 1,079.5 | $ 1,122.3 |
| Boat | **444.5** | 425.2 | 398.0 |
| Total Marine | **1,695.8** | 1,504.7 | 1,520.3 |
| Fitness | **939.7** | 947.5 | 845.1 |
| Corporate/Other | **638.4** | 832.5 | 757.3 |
| Total | **$ 3,273.9** | $ 3,284.7 | $ 3,122.7 |

As of April 1, 2017, December 31, 2016 and April 2, 2016, the Company had $6.3 million, $13.2 million and $14.2 million, respectively, of net assets classified as held-for-sale within Net property in the Condensed Consolidated Balance Sheets.

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**Note 10 – Comprehensive Income**

Accumulated other comprehensive loss in the Condensed Consolidated Balance Sheets includes prior service costs and credits and net actuarial gains and losses for defined benefit plans; foreign currency cumulative translation adjustments; and unrealized derivative gains and losses, all net of tax. Changes in the components of Accumulated other comprehensive loss, all net of tax, for the three months ended April 1, 2017 and April 2, 2016 were as follows:

| (in millions) | April 1, 2017 | April 2, 2016 |
|---|---|---|
| Net earnings | **$ 64.9** | $ 64.8 |
| Other comprehensive income (loss): | | |
| Foreign currency cumulative translation adjustment | **7.4** | 10.4 |
| Net change in unamortized prior service credits | **(0.1)** | (0.1) |
| Net change in unamortized actuarial losses | **2.1** | 2.5 |
| Net change in unrealized derivative losses | **(2.2)** | (4.6) |
| Total other comprehensive income | **7.2** | 8.2 |
| Comprehensive income | **$ 72.1** | $ 73.0 |

The following table presents the changes in Accumulated other comprehensive loss by component, all net of tax, for the three months ended April 1, 2017:

| (in millions) | Foreign currency translation | Prior service credits | Net actuarial losses | Net derivative losses | Total |
|---|---|---|---|---|---|
| Beginning balance | $ (51.9) | $ (5.1) | $ (372.0) | $ (5.6) | **$ (434.6)** |
| Other comprehensive income (loss) before reclassifications (A) | 7.4 | — | (0.1) | (1.7) | **5.6** |
| Amounts reclassified from Accumulated other comprehensive loss (B) | — | (0.1) | 2.2 | (0.5) | **1.6** |
| Net current-period other comprehensive income (loss) | 7.4 | (0.1) | 2.1 | (2.2) | **7.2** |
| Ending balance | $ (44.5) | $ (5.2) | $ (369.9) | $ (7.8) | **$ (427.4)** |

(A) The tax effects for the three months ended April 1, 2017 were $(1.6) million for foreign currency translation, $0.1 million for net actuarial losses arising during the period and $0.8 million for derivatives.
(B) See the table below for the tax effects for the three months ended April 1, 2017.

The following table presents the changes in Accumulated other comprehensive loss by component, all net of tax, for the three months ended April 2, 2016:

| (in millions) | Foreign currency translation | Prior service credits | Net actuarial losses | Net derivative losses | Total |
|---|---|---|---|---|---|
| Beginning balance | $ (56.4) | $ (4.7) | $ (407.1) | $ (5.9) | **$ (474.1)** |
| Other comprehensive income (loss) before reclassifications (A) | 10.4 | — | (0.5) | (2.9) | **7.0** |
| Amounts reclassified from Accumulated other comprehensive loss (B) | — | (0.1) | 3.0 | (1.7) | **1.2** |
| Net current-period other comprehensive income (loss) | 10.4 | (0.1) | 2.5 | (4.6) | **8.2** |
| Ending balance | $ (46.0) | $ (4.8) | $ (404.6) | $ (10.5) | **$ (465.9)** |

(A) The tax effects for the three months ended April 2, 2016 were $5.0 million for foreign currency translation, $(0.2) million for net actuarial losses arising during the period and $1.4 million for derivatives.
(B) See the table below for the tax effects for the three months ended April 2, 2016.

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The following table presents reclassification adjustments out of Accumulated other comprehensive loss during the three months ended April 1, 2017 and April 2, 2016:

| Details about Accumulated other comprehensive income (loss) components (in millions) | April 1, 2017 | April 2, 2016 | Affected line item in the statement where net income is presented |
|---|---|---|---|
| Amortization of defined benefit items: | | | |
| Prior service credits | **$ 0.2** | $ 0.2 | (A) |
| Net actuarial losses | **(3.6)** | (4.4) | (A) |
| | **(3.4)** | (4.2) | Total before tax |
| | **1.3** | 1.3 | Tax benefit |
| | **$ (2.1)** | $ (2.9) | Net of tax |
| | | | |
| Amount of gain (loss) reclassified into earnings on derivative contracts: | | | |
| Interest rate contracts | **$ (0.3)** | $ (0.0) | Interest expense |
| Foreign exchange contracts | **1.0** | 2.6 | Cost of sales |
| Commodity contracts | **(0.0)** | (0.2) | Cost of sales |
| | **0.7** | 2.4 | Total before tax |
| | **(0.2)** | (0.7) | Tax provision |
| | **$ 0.5** | $ 1.7 | Net of tax |

(A) These Accumulated other comprehensive loss components are included in the computation of net pension and other benefit costs. See **Note 12 – Postretirement Benefits** for additional details.

**Note 11 – Income Taxes**

The Company recognized an income tax provision from continuing operations for the three months ended April 1, 2017 of $22.0 million, which included a net tax benefit of $0.5 million related to deferred tax adjustments. Additionally, the income tax provision included a net tax benefit of $5.3 million associated with the net excess tax benefits related to share-based compensation which was recognized as an income tax benefit in accordance with recent changes in accounting guidance. The Company recognized an income tax provision from continuing operations for the three months ended April 2, 2016 of $28.2 million, which included a net charge of $0.1 million mainly associated with tax rate changes. The effective tax rate from continuing operations, which is calculated as the income tax provision as a percentage of pre-tax income, for the three months ended April 1, 2017 and April 2, 2016 was 25.3 percent and 30.9 percent, respectively.

No deferred income taxes have been provided as of April 1, 2017, December 31, 2016 or April 2, 2016 on the applicable undistributed earnings of the non-U.S. subsidiaries where the indefinite reinvestment assertion has been applied. If at some future date these earnings cease to be indefinitely reinvested and are repatriated, the Company may be subject to additional U.S. income taxes and foreign withholding and other taxes on such amounts. The Company continues to provide deferred taxes, as required, on the undistributed net earnings of foreign subsidiaries and unconsolidated affiliates that are not deemed to be indefinitely reinvested in operations outside the United States.

As of April 1, 2017, December 31, 2016 and April 2, 2016, the Company had $4.2 million, $3.5 million and $5.4 million of gross unrecognized tax benefits, including interest, respectively. The Company believes it is reasonably possible that the total amount of gross unrecognized tax benefits as of April 1, 2017 could decrease by approximately $1.7 million in the next 12 months due to settlements with taxing authorities or lapses in the applicable statute of limitations. Due to the various jurisdictions in which the Company files tax returns and the uncertainty regarding the timing of the settlement of tax audits, it is possible that there could be significant changes in the amount of unrecognized tax benefits in 2017, but the amount cannot be estimated.

The Company is regularly audited by federal, state and foreign tax authorities. The Internal Revenue Service (IRS) has completed its field examination and has issued its Revenue Agents Report through the 2012 tax year and all open issues have been resolved. The Company is currently open to tax examinations by the IRS for the 2013 through 2015 tax years. The 2014 tax year is currently under examination and the Company has been notified by the IRS that it will also be examining the 2015 tax year. Primarily as a result of filing amended returns, which were generated by the closing of federal income tax audits, the Company is

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still open to state and local tax audits in major tax jurisdictions dating back to the 2011 taxable year. The Company is no longer subject to income tax examinations by any major foreign tax jurisdiction for years prior to 2013.

**Note 12 – Postretirement Benefits**

The Company has defined contribution plans, qualified and nonqualified defined benefit pension plans and other postretirement benefit plans covering substantially all of its employees. The Company's contributions to its defined contribution plans include matching and annual discretionary contributions which are based on various percentages of compensation, and in some instances are based on the amount of the employees' contributions to the plans. See Note 17 in the Notes to Consolidated Financial Statements in the 2016 Form 10-K for further details regarding these plans.

Pension and other postretirement benefit costs included the following components for the three months ended April 1, 2017 and April 2, 2016:

| | Pension Benefits | | Other Postretirement Benefits | |
|---|---|---|---|---|
| **(in millions)** | **April 1, 2017** | **April 2, 2016** | **April 1, 2017** | **April 2, 2016** |
| Interest cost | **$ 7.1** | $ 8.9 | **$ 0.3** | $ 0.3 |
| Expected return on plan assets | **(8.4)** | (9.6) | **—** | — |
| Amortization of prior service credits | **—** | — | **(0.2)** | (0.2) |
| Amortization of net actuarial losses | **3.6** | 4.4 | **—** | — |
| Net pension and other benefit costs | **$ 2.3** | $ 3.7 | **$ 0.1** | $ 0.1 |

Portions of Net pension and other benefit costs are recorded in Selling, general and administrative expenses as well as capitalized into inventory. Costs capitalized into inventory are eventually realized through Cost of sales in the Condensed Consolidated Statements of Comprehensive Income.

*Employer Contributions and Benefit Payments.* During the three months ended April 1, 2017 and April 2, 2016, the Company contributed $1.2 million and $0.9 million, respectively, to fund benefit payments to its nonqualified pension plan. During both the three months ended April 1, 2017 and April 2, 2016, the Company contributed $35.0 million to its qualified pension plans. Company contributions are subject to change based on funding regulations and Company discretion.

**Note 13 – Debt**

There was no significant activity in Long-term debt during the three months ended April 1, 2017 and April 2, 2016. See Note 16 in the Notes to Consolidated Financial Statements in the 2016 Form 10-K for details regarding the Company's debt.

In June 2016, the Company entered into an Amended and Restated Credit Agreement (Credit Facility). The Credit Facility amends and restates the Company's existing credit agreement, dated as of March 2011, as amended and restated as of June 2014. The Credit Facility provides for $300 million of borrowing capacity and is in effect through June 2021. No borrowings were outstanding as of or during the three months ended April 1, 2017, and available borrowing capacity totaled $295.7 million, net of $4.3 million of letters of credit outstanding under the Credit Facility. As of April 1, 2017, the Company was in compliance with the financial covenants in the Credit Facility. See Note 16 in the Notes to Consolidated Financial Statements in the 2016 Form 10-K for details regarding the Company's Credit Facility.

**Note 14 – Subsequent Events**

On May 3, 2017, the Company's Board of Directors declared a quarterly dividend on its common stock of $0.165 per share. The dividend will be payable June 15, 2017 to shareholders of record as of May 23, 2017.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements in Management’s Discussion and Analysis are based on non-GAAP financial measures. Specifically, the discussion of Brunswick Corporation's (Brunswick or the Company) cash flows includes an analysis of free cash flows and total liquidity, the discussion of the Company's net sales includes comparisons of net sales on a constant currency basis and excluding acquisitions, and the discussion of the Company's earnings includes comparisons of diluted earnings per common share, as adjusted. A “non-GAAP financial measure” is a numerical measure of a registrant’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statements of comprehensive income, balance sheets or statements of cash flows of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Non-GAAP financial measures do not include operating and statistical measures.

The Company includes non-GAAP financial measures in Management’s Discussion and Analysis, as Brunswick’s management believes that these measures and the information they provide are useful to investors because they permit investors to view Brunswick’s performance using the same tools that management uses and to better evaluate the Company’s ongoing business performance.

Certain statements in Management’s Discussion and Analysis are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations that are subject to risks and uncertainties. Actual results may differ materially from expectations as of the date of this filing because of factors discussed in Part I, Item 1A – Risk Factors in Brunswick’s 2016 Annual Report on Form 10-K for the year ended December 31, 2016 (the 2016 Form 10-K).

Brunswick does not provide forward-looking guidance for certain financial measures on a GAAP basis because it is unable to predict certain items contained in the GAAP measures without unreasonable efforts. These items may include pension settlement charges, restructuring, exit, integration and impairment costs, special tax items and certain other unusual adjustments.

### *Overview and Outlook*

### General

Net sales increased 8 percent during the first quarter of 2017 when compared with the first quarter of 2016. Excluding the impact of acquisitions, net sales increased 6 percent over the comparative period. Marine Engine segment net sales increased due to strong growth in both the marine service, parts and accessories businesses as well as outboard engines, partially offset by declines in sterndrive engines. Boat segment net sales increased due to strong growth across all three primary boat categories (fiberglass outboard, aluminum and fiberglass sterndrive/inboard). Fitness segment net sales increased, reflecting the benefit of recent acquisitions and overall growth in international markets. Fitness revenues in the U.S. were down, excluding the impact of acquisitions, reflecting anticipated declines in Cybex revenues while overall commercial fitness revenue trends were stable. International net sales for the Company increased 10 percent in the first quarter of 2017 on a GAAP basis when compared with the first quarter of 2016. Excluding acquisitions, international sales increased 6 percent, driven by increases in Asia-Pacific, Europe and Latin America, partially offset by decreases in Canada.

Operating earnings in the first quarter of 2017 were $89.0 million, with an operating margin of 7.7 percent, which included restructuring, exit and integration charges of $15.2 million. In the first quarter of 2016, the Company reported operating earnings of $96.0 million, with an operating margin of 9.0 percent, which included restructuring, exit and integration charges of $3.8 million.

The Company continues to expect that 2017 will be another year of outstanding earnings growth with excellent cash flow generation. The Company is targeting approximately 6 percent to 8 percent net sales growth when compared with 2016. The Company's plan reflects the continuation of solid marine market growth in the U.S. and Europe and the success of new products, which will result in market share gains, and increases from completed acquisitions. The Fitness segment is expected to benefit from overall growth in commercial fitness markets, particularly in the second half of 2017. Acquisitions are estimated to account for approximately one percentage point of the growth rate in 2017, reflecting the impact of completed transactions in 2016.

The Company expects to have increased revenue and improvements in both gross margin and operating margin levels in 2017 due to benefits from volume increases and cost reductions. The impact of sales mix is projected to be more neutral for the year, with a more favorable comparison planned for the second half. Partially offsetting these factors are incremental investments to support growth including new products, productivity initiatives and information technology. The Company anticipates that operating earnings comparisons versus 2016 will have a slight unfavorable impact due to changes in foreign exchange rates. The Company projects operating expenses, including research and development expenses, to be higher in 2017 when compared with

2016 as the Company continues to increase investment spending to support growth. Operating expenses are projected to be slightly lower on a percentage of sales basis in 2017 versus 2016.

The Company is planning for its effective tax rate in 2017 to be approximately 29 percent based on existing tax law and the adoption of recent accounting guidance related to net excess tax benefits or deficiencies resulting from share-based compensation activity.

**Matters Affecting Comparability**

Certain events have occurred during the three months ended April 1, 2017 and April 2, 2016 which the Company believes affect the comparability of the results of operations. The table below summarizes the impact of changes in currency exchange rates as well as the impact of recent acquisitions on the Company's net sales:

| | Net Sales | | 2017 vs. 2016 % Change | | |
|---|---|---|---|---|---|
| **(in millions)** | **April 1, 2017** | **April 2, 2016** | **GAAP** | **Constant Currency** | **Acquisition Contribution** |
| Marine Engine | **$ 631.8** | $ 595.5 | 6.1% | 6.0% | 1.0% |
| Boat | **382.7** | 336.8 | 13.6% | 13.6% | 1.2% |
| Marine eliminations | **(89.8)** | (80.3) | | | |
| Total Marine | **924.7** | 852.0 | 8.5% | 8.5% | 1.2% |
| | | | | | |
| Fitness | **235.6** | 218.3 | 7.9% | 8.6% | 7.5% |
| Total | **$ 1,160.3** | $ 1,070.3 | 8.4% | 8.5% | 2.5% |

*Changes in Foreign Currency Rates.* Percentage changes in net sales expressed in constant currency are presented to reflect the impact that changes in currency exchange rates had on comparisons of net sales. To determine this information, 2017 net sales transacted in currencies other than U.S. dollars have been translated to U.S. dollars using the average exchange rates from 2016 that were in effect during the comparative period. The percentage change in net sales expressed on a constant currency basis better reflects the changes in the underlying business trends, excluding the impact of translation arising from foreign currency exchange rate fluctuations. Approximately 20 percent of the Company's annual net sales are transacted in a currency other than the U.S. dollar. The Company's most material exposures include sales in Euros, Canadian dollars, Australian dollars, British pounds and Brazilian reais.

Additionally, operating earnings comparisons were negatively affected by foreign exchange rates by approximately $2 million in the first quarter of 2017 when compared with the first quarter of 2016. These estimates include the impact of translation on all sales and costs transacted in a currency other than the U.S. dollar, the impact of hedging activities and pricing actions in certain international markets in response to changes in the value of the U.S. dollar.

*Acquisitions.* The Company completed acquisitions throughout 2016 that affect the comparability of net sales. Cybex, Thunder Jet, ICG and Payne's were acquired in the first, second, third and fourth quarters of 2016, respectively. Refer to Note 4 in the Notes to Consolidated Financial Statements in the 2016 Form 10-K for further details on 2016 acquisitions.

*Restructuring, exit and integration charges.* The Company recorded restructuring, exit and integration charges of $15.2 million and $3.8 million in the three months ended April 1, 2017 and April 2, 2016, respectively. Refer to **Note 2 – Restructuring, Exit and Integration Activities** for further information. The Company anticipates it will incur Restructuring, exit and integration charges of approximately $26 million to $28 million for the full year.

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***Results of Operations***

**Consolidated**

The following table sets forth certain amounts, ratios and relationships calculated from the Condensed Consolidated Statements of Comprehensive Income for the three months ended:

| | Three Months Ended | | 2017 vs. 2016 | |
|---|---|---|---|---|
| (in millions, except per share data) | April 1, 2017 | April 2, 2016 | $ Change | % Change |
| Net sales | **$ 1,160.3** | $ 1,070.3 | $ 90.0 | 8.4 % |
| Gross margin (A) | **300.1** | 282.1 | 18.0 | 6.4 % |
| Restructuring, exit and integration charges | **15.2** | 3.8 | 11.4 | NM |
| Operating earnings | **89.0** | 96.0 | (7.0) | (7.3)% |
| Net earnings from continuing operations | **64.9** | 63.2 | 1.7 | 2.7 % |
| | | | | |
| Diluted earnings per common share from continuing operations | **$ 0.71** | $ 0.68 | $ 0.03 | 4.4 % |
| | | | | |
| **Expressed as a percentage of Net sales:** | | | | |
| Gross margin | **25.9%** | 26.4% | | (50) bpts |
| Selling, general and administrative expense | **13.7%** | 13.8% | | (10) bpts |
| Research and development expense | **3.2%** | 3.2% | | (0) bpts |
| Restructuring, exit and integration charges | **1.3%** | 0.4% | | 90 bpts |
| Operating margin | **7.7%** | 9.0% | | (130) bpts |

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NM = not meaningful
bpts = basis points

(A) Gross margin is defined as Net sales less Cost of sales as presented in the Condensed Consolidated Statements of Comprehensive Income.

Net sales increased during the first quarter of 2017 when compared with the first quarter of 2016. Marine Engine segment net sales increased due to strong growth in both the marine service, parts and accessories businesses as well as outboard engines. Both of these categories benefited from favorable market trends and market share gains. Net sales of sterndrive engines declined, reflecting unfavorable demand trends. Boat segment net sales increased due to strong growth across all three primary boat categories and benefited from strong increases in wholesale unit shipments. Fitness segment net sales increased, reflecting the benefit of recent acquisitions and overall growth in international markets. Fitness revenues in the U.S. were down slightly, excluding the impact of acquisitions, reflecting anticipated declines in Cybex revenues and stable demand in the commercial fitness market, including value-oriented franchise clubs. International net sales for the Company increased 10 percent in the first quarter of 2017 on a GAAP basis when compared with the first quarter of 2016. On a constant currency basis and excluding acquisitions, international sales increased 6 percent, driven by increases in Europe, Asia-Pacific and Latin America, partially offset by decreases in Canada.

Gross margin percentage was down in the first quarter of 2017 when compared with the same prior year period. A majority of the decline resulted from unfavorable changes in sales mix within the Fitness and Boat segments, as well as from changes in mix between segments.

Selling, general and administrative expense decreased slightly as a percentage of net sales during the first quarter of 2017 when compared with the first quarter of 2016. Research and development expense remained flat as a percentage of sales as the Company continued to increase its funding of investments in new products and growth initiatives. The Company recorded restructuring and integration charges of $15.2 million and $3.8 million for the three months ended April 1, 2017 and April 2, 2016, respectively.

The Company recorded Equity earnings of $2.3 million and $0.8 million in the three months ended April 1, 2017 and April 2, 2016, respectively, which mainly related to the Company's marine joint ventures. The Company recognized $1.7 million and $1.0 million in Other income, net in the three months ended April 1, 2017 and April 2, 2016, respectively, which includes the amortization of deferred income related to a trademark licensing agreement with AMF Bowling Centers, Inc. as discussed in Note 2 in the Notes to Consolidated Financial Statements in the 2016 Form 10-K.

Net interest expense was down slightly for the three months ended April 1, 2017 when compared with the same prior year period.

The Company recognized an income tax provision from continuing operations for the three months ended April 1, 2017 of $22.0 million, which included a net tax benefit of $0.5 million related to federal deferred tax adjustments. Additionally, the income tax provision included a net tax benefit of $5.3 million associated with the net excess tax benefits related to share-based compensation which was recognized as an income tax benefit in accordance with recent changes in accounting guidance. The Company recognized an income tax provision from continuing operations for the three months ended April 2, 2016 of $28.2 million, which included a net charge of $0.1 million mainly associated with tax rate changes. The effective tax rate from continuing operations, which is calculated as the income tax provision as a percentage of pre-tax income, for the three months ended April 1, 2017 and April 2, 2016 was 25.3 percent and 30.9 percent, respectively.

Net earnings from continuing operations and Diluted earnings per common share from continuing operations increased and Operating earnings decreased during the first quarter of 2017 due to the factors discussed in the preceding paragraphs. The increases in Diluted earnings per common share from continuing operations also included the impact of common stock repurchases.

Diluted earnings from continuing operations per common share, as adjusted - defined as Diluted earnings from continuing operations per common share, excluding the earnings per share impact for restructuring, exit and integration charges and special tax items from continuing operations - increased by $0.13 per share, or 18 percent, to $0.84 per share in the first quarter of 2017 when compared with $0.71 per share for the same period in 2016. In the first quarter of 2017, restructuring, exit and integration charges from continuing operations were $0.14 per share and special tax items were a net benefit of $0.01 per share. In the first quarter of 2016, restructuring, exit and integration charges from continuing operations were $0.03 per share.

**Marine Engine Segment**

The following table sets forth Marine Engine segment results for the three months ended:

| | Three Months Ended | | 2017 vs. 2016 | |
|---|---|---|---|---|
| **(in millions)** | **April 1, 2017** | **April 2, 2016** | **$ Change** | **% Change** |
| Net sales | **$ 631.8** | $ 595.5 | $ 36.3 | 6.1% |
| Operating earnings | **88.5** | 78.3 | 10.2 | 13.0% |
| Operating margin | **14.0%** | 13.1% | | 90 bpts |

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bpts = basis points

Net sales for the Marine Engine segment increased due to strong growth in both the marine service, parts and accessories businesses as well as outboard engines, which benefited from strong sales growth, particularly in higher horsepower engines. Both of these categories also benefited from favorable market trends, market share gains and recently introduced products. Partially offsetting these factors was a decrease in sterndrive engine net sales due to the continuing shift to outboards and unfavorable global retail demand trends. The acquisition of Payne's accounted for one percentage point of the Marine Engine segment's overall revenue growth rate in the first quarter of 2017. International net sales were 31 percent of the segment's net sales in the first quarter of 2017, and increased 9 percent from the prior year on a GAAP basis. On a constant currency basis and excluding acquisitions, international net sales increased 5 percent, which included gains in Europe and Asia-Pacific, partially offset by declines in Africa and the Middle East and Canada.

Marine Engine segment operating earnings increased in the first quarter of 2017 as a result of higher net sales, a favorable shift in sales mix and improved cost efficiencies, partially offset by the unfavorable effects of foreign exchange and planned increases in growth related investments.

**Boat Segment**

The following table sets forth Boat segment results for the three months ended:

| | Three Months Ended | | 2017 vs. 2016 | |
|---|---|---|---|---|
| (in millions) | April 1, 2017 | April 2, 2016 | $ Change | % Change |
| Net sales | **$ 382.7** | $ 336.8 | $ 45.9 | 13.6 % |
| Restructuring, exit and integration charges | **10.4** | — | 10.4 | NM |
| Operating earnings | **3.2** | 16.4 | (13.2) | (80.5)% |
| Operating margin | **0.8%** | 4.9% | | (410) bpts |

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NM = not meaningful
bpts = basis points

Boat segment net sales increased in the first quarter of 2017 when compared with the first quarter of 2016 due to strong growth in fiberglass outboard and aluminum boat categories, which benefited from strong growth in wholesale unit shipments, particularly in the aluminum boat category. Sales of fiberglass sterndrive/inboard boats increased in spite of anticipated declines of larger boat models, which resulted from moderating market conditions, the timing of new model introductions, the impact of transitioning production between facilities and reaching appropriate stocking levels of product in 2016. The segment benefited from recently introduced products and market share gains. The acquisition of Thunder Jet accounted for one percentage point of the Boat segment's overall revenue growth rate in the first quarter of 2017. International net sales were 24 percent of the segment's net sales in the first quarter of 2017, and increased 9 percent from the prior year on a GAAP basis. On a constant currency basis and excluding acquisitions, international net sales increased 6 percent, which primarily included gains in Europe and a slight overall increase in other regions.

Boat segment operating earnings decreased in the first quarter of 2017 when compared with the first quarter of 2016 due to higher restructuring, exit and integration charges related to closing its manufacturing facility in Brazil. In addition, lower volume and cost absorption as well as unfavorable reserve adjustments including warranty had a negative impact on large sterndrive/inboard boats. Unfavorable changes in sales mix and higher commodity costs affected the performance of aluminum boats. Partially offsetting these factors was favorable performance in the fiberglass outboard boat business.

**Fitness Segment**

The following table sets forth Fitness segment results for the three months ended:

| | Three Months Ended | | 2017 vs. 2016 | |
|---|---|---|---|---|
| (in millions) | April 1, 2017 | April 2, 2016 | $ Change | % Change |
| Net sales | **$ 235.6** | $ 218.3 | $ 17.3 | 7.9 % |
| Restructuring, exit and integration charges | **2.4** | 3.8 | (1.4) | (36.8)% |
| Operating earnings | **18.3** | 20.1 | (1.8) | (9.0)% |
| Operating margin | **7.8%** | 9.2% | | (140) bpts |

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bpts = basis points

Fitness segment net sales increased, reflecting the benefit of recent acquisitions and overall growth in international markets, especially in the Asia-Pacific region. Revenues in the U.S. were down, excluding the impact of acquisitions, reflecting anticipated declines in Cybex revenues and stable demand in the commercial fitness market, including value-oriented franchise clubs. International net sales were 46 percent of the segment's net sales in the first quarter of 2017 and increased 11 percent compared with the same prior year period on a GAAP basis. On a constant currency basis and excluding acquisitions, the segment's international net sales increased 4 percent when compared with the same prior year period due mostly to increases in Asia-Pacific.

Fitness segment operating earnings decreased in the first quarter of 2017 compared with the first quarter of 2016, reflecting the negative impact of changes in sales mix along with planned costs associated with capacity expansions, new product introductions and manufacturing facility transitions. Partially offsetting these factors were contributions from the ICG acquisition, the benefit of Cybex synergies and lower restructuring, exit and integration charges.

**Corporate/Other**

The following table sets forth Corporate/Other results for the three months ended:

| | Three Months Ended | | 2017 vs. 2016 | |
|---|---|---|---|---|
| **(in millions)** | **April 1, 2017** | **April 2, 2016** | **$ Change** | **% Change** |
| Restructuring, exit and integration charges | **$ 2.4** | $ — | $ 2.4 | NM |
| Operating loss | **(18.7)** | (15.1) | (3.6) | (23.8)% |

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NM = not meaningful

Corporate operating expenses increased in the first quarter of 2017 when compared with the same prior year period primarily due to increased restructuring, exit and integration charges.

***Cash Flow, Liquidity and Capital Resources***

The following table sets forth an analysis of free cash flow for the three months ended:

| **(in millions)** | **April 1, 2017** | **April 2, 2016** |
|---|---|---|
| Net cash used for operating activities of continuing operations | **$ (86.3)** | $ (82.8) |
| Net cash provided by (used for): | | |
| Capital expenditures | **(60.8)** | (46.2) |
| Proceeds from the sale of property, plant and equipment | **7.6** | 0.1 |
| Effect of exchange rate changes | **3.0** | 2.9 |
| Total free cash flow from continuing operations (A) | **$ (136.5)** | $ (126.0) |

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(A) The Company defines "Free cash flow from continuing operations" as cash flow from operating and investing activities of continuing operations (excluding cash provided by or used for acquisitions and investments, purchases or sales/maturities of marketable securities) and the effect of exchange rate changes. Free cash flow from continuing operations is not intended as an alternative measure of cash flow from operations, as determined in accordance with generally accepted accounting principles (GAAP) in the United States. The Company uses this financial measure, both in presenting its results to shareholders and the investment community and in its internal evaluation and management of its businesses. Management believes that this financial measure and the information it provides are useful to investors because it permits investors to view Brunswick's performance using the same tool that management uses to gauge progress in achieving its goals. Management believes that the non-GAAP financial measure "Free cash flow from continuing operations" is also useful to investors because it is an indication of cash flow that may be available to fund investments in future growth initiatives.

Brunswick's major sources of funds for investments, acquisitions, dividend payments and share repurchase programs are cash generated from operating activities, available cash and marketable securities balances and selected borrowings. The Company evaluates potential acquisitions, divestitures and joint ventures in the ordinary course of business.

**2017 Cash Flow**

In the first quarter of 2017, net cash used for operating activities of continuing operations totaled $86.3 million. The primary drivers of the cash used for operating activities were a seasonal increase in working capital and planned pension contributions, which more than offset benefits from net earnings from continuing operations and non-cash expense items. Working capital is defined as Accounts and notes receivable, Inventories and Prepaid expenses and other, net of Accounts payable and Accrued expenses as presented in the Condensed Consolidated Balance Sheets, excluding the impact of acquisitions and non-cash adjustments. Accounts and notes receivable increased $112.4 million due primarily to normal seasonal changes in net sales in the Marine Engine segment. Net inventories increased by $62.7 million due to increases in production and higher sales volumes. Accrued expenses decreased $16.4 million, which included the impact of the payments of the prior year's variable compensation and deferred compensation, which had been accrued as of December 31, 2016. Partially offsetting these items was an increase in Accounts payable of $27.6 million, which was the result of increased domestic production across all segments and the timing of payments.

Net cash used for investing activities of continuing operations during the first three months of 2017 totaled $22.3 million, which included capital expenditures of $60.8 million. The Company's capital spending is focused on new product introductions and capacity expansion projects in all segments. Capital spending was partially offset by net proceeds from maturities of marketable securities of $35.0 million and proceeds from the sale of property, plant and equipment of $7.6 million.

Net cash used for financing activities of continuing operations was $43.2 million during the first quarter of 2017. The cash outflow included common stock repurchase activity and cash dividends paid to common shareholders.

**2016 Cash Flow**

In the first quarter of 2016, net cash used for operating activities of continuing operations totaled $82.8 million. The primary drivers of the cash used for operating activities were a seasonal increase in working capital and planned pension contributions, which more than offset benefits from net earnings from continuing operations and non-cash expense items. Accounts and notes receivable increased $98.0 million during the first quarter of 2016, due primarily to seasonally higher first quarter net sales in the Company's Marine Engine segment. Accrued expenses decreased $44.9 million during the quarter, primarily driven by the payment of the prior year's variable compensation, which had been accrued as of December 31, 2015. Net inventories increased by $38.9 million during the first quarter of 2016 due to increases in production and higher sales volumes. Partially offsetting these items was an increase in Accounts payable of $24.6 million, which was the result of increased domestic production in the Company's marine businesses.

Net cash used for investing activities of continuing operations during the first quarter of 2016 totaled $232.7 million, which included capital expenditures of $46.2 million. The Company's capital spending was focused on new product introductions, capacity expansion projects in all segments and other high priority, profit-enhancing projects. Cash paid for the acquisition of Cybex, net of cash acquired, totaled $195.0 million in the first quarter of 2016. Partially offsetting these items were net proceeds from marketable securities of $10.7 million that were used to satisfy working capital requirements during the first quarter of 2016.

Net cash used for financing activities of continuing operations was $59.5 million during the first quarter of 2016. The cash outflow included common stock repurchase activity and cash dividends paid to common shareholders.

**Liquidity and Capital Resources**

The Company views its highly liquid assets as of April 1, 2017, December 31, 2016 and April 2, 2016 as:

| (in millions) | April 1, 2017 | December 31, 2016 | April 2, 2016 |
|---|---|---|---|
| Cash and cash equivalents | **$ 273.3** | $ 422.4 | $ 282.2 |
| Short-term investments in marketable securities | **0.7** | 35.8 | 0.8 |
| Total cash and cash equivalents and marketable securities | **$ 274.0** | $ 458.2 | $ 283.0 |

The following table sets forth an analysis of total liquidity as of April 1, 2017, December 31, 2016 and April 2, 2016:

| (in millions) | April 1, 2017 | December 31, 2016 | April 2, 2016 |
|---|---|---|---|
| Cash and cash equivalents and marketable securities | **$ 274.0** | $ 458.2 | $ 283.0 |
| Amounts available under lending facility (A) | **295.7** | 295.7 | 296.2 |
| Total liquidity (B) | **$ 569.7** | $ 753.9 | $ 579.2 |

(A) In June 2016, the Company amended and restated its existing credit agreement, dated as of March 2011, as amended and restated as of June 2014. See **Note 13 – Debt** in the Notes to Condensed Consolidated Financial Statements for further details on the Company's lending facility.

(B) The Company defines Total liquidity as Cash and cash equivalents and Short-term investments in marketable securities as presented in the Condensed Consolidated Balance Sheets, plus amounts available for borrowing under its lending facilities. Total liquidity is not intended as an alternative measure to Cash and cash equivalents and Short-term investments in marketable securities as determined in accordance with GAAP in the United States. The Company uses this financial measure, both in presenting its results to shareholders and the investment community and in its internal evaluation and management of its businesses. Management believes that this financial measure and the information it provides are useful to investors because it permits investors to view the Company's performance using the same metric that management uses to gauge progress in achieving its goals. Management believes that the non-GAAP financial measure "Total liquidity" is also useful to investors because it is an indication of the Company's available highly liquid assets and immediate sources of financing.

Cash and cash equivalents and marketable securities totaled $274.0 million as of April 1, 2017, a decrease of $184.2 million from $458.2 million as of December 31, 2016, and a decrease of $9.0 million from $283.0 million as of April 2, 2016. Total debt as of April 1, 2017, December 31, 2016 and April 2, 2016 was $441.8 million, $442.4 million and $450.9 million, respectively. The Company's debt-to-capitalization ratio was 23.1 percent as of April 1, 2017, down from 23.5 percent as of December 31, 2016 and from 25.7 percent as of April 2, 2016.

Management believes that the Company has adequate sources of liquidity to meet the Company's short-term and long-term needs. The next significant long-term debt maturity is not until 2021.

The Company has executed share repurchases against authorizations approved by the Board of Directors in 2014 and 2016. In 2017, the Company repurchased $20 million of stock under these authorizations and as of April 1, 2017, the remaining authorization was $220 million. The Company plans to repurchase approximately $100 million of shares in 2017.

Net activity in working capital is projected to reflect a usage of cash in 2017 in the range of $30 million to $50 million. Additionally, the Company plans to make cash contributions to its defined benefit pension plans of approximately $75 million, consistent with prior year levels. The Company is planning for capital expenditures of approximately $185 million to $195 million, reflecting substantial new product investments in the outboard engine and fitness businesses and continued capacity investments to support new products and growth. Including these factors, the Company plans to generate free cash flow in 2017 in excess of $250 million.

The Company contributed $35.0 million to its qualified pension plans in the first three months of both 2017 and 2016 and expects to make additional contributions of $35 million during 2017. The 2017 contributions include an estimated amount which will be used to fund the purchase of group annuity contracts in connection with the previously announced terminations of the Brunswick Pension Plan For Hourly Employees and the Brunswick Pension Plan For Hourly Wage Employees. The Company expects to incur a settlement loss in the second half of 2017 in conjunction with these terminations. The Company also contributed $1.2 million and $0.9 million to fund benefit payments in its nonqualified pension plan during the first three months of 2017 and 2016, respectively, and expects to contribute approximately $3 million of additional funding to the plan through the remainder of 2017. Company contributions are subject to change based on market conditions, pension funding regulations and Company discretion.

***Financial Services***

The Company's financial services joint venture, Brunswick Acceptance Company, LLC (BAC), is detailed in the 2016 Form 10-K.

***Off-Balance Sheet Arrangements and Contractual Obligations***

The Company's off-balance sheet arrangements and contractual obligations, as of December 31, 2016, are detailed in the 2016 Form 10-K. There have been no material changes in these arrangements and obligations outside the ordinary course of business since December 31, 2016.

***Environmental Regulation***

There were no material changes in the Company's environmental regulatory requirements since the filing of its 2016 Form 10-K.

***Critical Accounting Policies***

As discussed in the 2016 Form 10-K, the preparation of the consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amount of reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses during the periods reported. Actual results may differ from those estimates.

There were no material changes in the Company’s critical accounting policies since the filing of its 2016 Form 10-K.

***Recent Accounting Pronouncements***

See **Note 1 – Significant Accounting Policies** in the Notes to Condensed Consolidated Financial Statements for the recent accounting pronouncements that have been adopted during the three months ended April 1, 2017, or will be adopted in future periods.

***Forward-Looking Statements***

Certain statements in this Quarterly Report on Form 10-Q are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations, estimates and projections about Brunswick’s business and by their nature address matters that are, to different degrees, uncertain. Words such as “may,” “could,” “expect,” “intend,” “target,” “plan,” “seek,” “estimate,” “believe,” “predict,” “outlook” and similar expressions are intended to identify forward-looking statements. Such statements are not guarantees of future performance and involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this quarterly report. These risks include, but are not limited to: adverse general economic conditions, including reductions in consumer discretionary spending; negative currency trends; our ability to complete and integrate targeted acquisitions; our ability to implement our strategic plan and growth initiatives; adequate financing access for dealers and customers and our ability to access capital and credit markets; maintaining effective distribution; retaining our relationships with dealers, distributors and independent boat builders; credit and collections risks; retaining key customers; protecting our brands and intellectual property; absorbing fixed costs in production; managing expansion or consolidation of manufacturing facilities; meeting supply objectives; meeting pension funding obligations; managing our share repurchases; higher energy and fuel costs; competitive pricing pressures; developing new and innovative products at a competitive price, in legal compliance; maintaining product quality and service standards; outages or breaches of technology systems; competitor activity; product liability, warranty and other claims risks; increased costs of legal and regulatory compliance; having to record an impairment to the value of goodwill and other assets; international business risks; attracting and retaining key contributors; and weather and catastrophic event risks.

Additional risk factors are included in the Company’s Annual Report on Form 10-K for 2016. Forward-looking statements speak only as of the date on which they are made and Brunswick does not undertake any obligation to update them to reflect events or circumstances after the date of this presentation or for changes by wire services or Internet service providers.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

The Company is exposed to market risk from changes in foreign currency exchange rates, interest rates and commodity prices. The Company enters into various hedging transactions to mitigate these risks in accordance with guidelines established by the Company’s management. The Company does not use financial instruments for trading or speculative purposes. The Company’s risk management objectives are described in **Note 3 – Financial Instruments** in the Notes to Condensed Consolidated Financial Statements and Notes 1 and 14 in the Notes to Consolidated Financial Statements in the 2016 Form 10-K.

There have been no significant changes to the Company’s market risk since December 31, 2016. For a discussion of exposure to market risk, refer to Part II, Item 7A – Quantitative and Qualitative Disclosures about Market Risk, set forth in the 2016 Form 10-K.

**Item 4. Controls and Procedures**

Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer of the Company (its principal executive officer and principal financial officer, respectively), the Company has evaluated its disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective. There were no changes in the Company's internal control over financial reporting during the fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1A. Risk Factors

Brunswick's operations and financial results are subject to various risks and uncertainties that could adversely affect the Company's business, financial condition, results of operations, cash flows and the trading price of Brunswick's common stock. There have been no material changes to the risk factors previously disclosed in the 2016 Form 10-K.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The Company has executed share repurchases against authorization approved by the Board of Directors in 2014 and 2016. In 2017, the Company repurchased $20 million of stock under these authorizations and as of April 1, 2017, the remaining authorization was $220 million.

During the three months ended April 1, 2017, the Company repurchased the following shares of its common stock:

| Period | Total Number of Shares Purchased | Weighted Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Program | Maximum Amount of Dollars that May Yet Be Used to Purchase Shares Under the Program |
|---|---|---|---|---|
| January 1 to January 28 | 97,436 | $ 55.47 | 97,436 | |
| January 29 to February 25 | 140,121 | 59.91 | 140,121 | |
| February 26 to April 1 | 102,460 | 60.50 | 102,460 | |
| Total | 340,017 | $ 58.81 | 340,017 | $ 219,796,469 |

### Item 5. Other Information

At the May 3, 2017 Annual Meeting of Shareholders of the Company, Nancy E. Cooper, Ralph C. Stayer and Jane L. Warner were elected as directors of the Company for terms expiring at the 2020 Annual Meeting. The number of shares voted with respect to these directors were:

| Nominee | For | Against | Abstain | Broker Non-votes |
|---|---|---|---|---|
| Nancy E. Cooper | 79,398,194 | 527,506 | 146,356 | 3,331,570 |
| Ralph C. Stayer | 77,682,803 | 2,250,980 | 138,273 | 3,331,570 |
| Jane L. Warner | 79,444,842 | 479,159 | 148,055 | 3,331,570 |

At the Annual Meeting, shareholders voted for a non-binding resolution approving the compensation of the Company's named executive officers pursuant to the following vote:

| | Number of Shares |
|---|---|
| For | 75,074,468 |
| Against | 4,605,943 |
| Abstain | 391,645 |
| Broker Non-votes | 3,331,570 |

At the Annual Meeting, shareholders voted for a non-binding resolution approving annual (every one year) review of the compensation of the Company's named executive officers pursuant to the following vote:

| | Number of Shares |
|---|---|
| One Year | 71,430,400 |
| Two Years | 98,501 |
| Three Years | 8,162,373 |
| Abstain | 380,782 |
| Broker Non-votes | 3,331,570 |

Based on the Board's recommendation, as set forth in our Proxy Statement, and the shareholder voting results, the Company has determined that we will continue to hold an advisory vote on executive compensation on an annual basis.

At the Annual Meeting, shareholders ratified the Audit Committee's selection of Deloitte & Touche LLP as the independent registered public accounting firm for the Company and its subsidiaries for the year 2017 pursuant to the following vote:

| | Number of Shares |
|---|---|
| For | 81,677,891 |
| Against | 1,435,071 |
| Abstain | 290,664 |
| Broker Non-votes | — |

**Item 6. Exhibits**

| | |
|---|---|
| 10.1* | 2017 Brunswick Performance Plan |
| 10.2* | 2017 Brunswick Performance Plan--Senior Management Incentive Plan Participants |
| 10.3* | 2017 Brunswick Performance Plan--Performance Share Participants Other Than Those in the Senior Management Incentive Plan |
| 10.4* | 2017 Stock-Settled Restricted Stock Unit Grant Terms and Conditions Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan |
| 10.5* | 2017 Cash-Settled Restricted Stock Unit Grant Terms and Conditions Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan |
| 10.6* | 2017 Stock-Settled Stock Appreciation Right Grant Terms and Conditions Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan |
| 10.7* | 2017 Performance Share Grant Terms and Conditions Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan |
| 10.8* | 2017 Performance Share Grant Terms and Conditions For Select Key Employees Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan |
| 31.1 | Certification of CEO Pursuant to 15 U.S.C. Section 7241, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of CFO Pursuant to 15 U.S.C. Section 7241, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of CEO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of CFO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |

*Management contract or compensatory plan or arrangement.

**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.

**BRUNSWICK CORPORATION**

May 4, 2017

By: /s/ DANIEL J. TANNER
Daniel J. Tanner
Vice President and Controller*

*Mr. Tanner is signing this report both as a duly authorized officer and as the principal accounting officer.

**2017 Brunswick Performance Plan (BPP)**
**All Other Participants**
**Summary Terms and Conditions**

| | |
|---|---|
| Purpose | Reward achievement of annual goals |
| Eligibility | Key managers identified on an individual basis. |
| Performance Period | 2017 fiscal year. |
| Performance Measures | Bonuses based 100% on achievement against the following financial measures as of the end of the performance period.<br><br>⊠For Corporate-level employees,<br>✓25% based on Earnings Per Share (EPS (ex. items)),<br>✓25% based on overall Brunswick Free Cash Flow ("FCF"),<br>✓16.67% based on Mercury Marine Earnings Before Interest and Taxes (EBIT),<br>✓16.67 based on Boat Group EBIT, and<br>✓16.67 based on Life Fitness EBIT<br><br>⊠For Division participants,<br>✓25% based on EPS (ex. items),<br>✓25% based on overall Brunswick FCF, and<br>✓50% based on applicable division EBIT<br><br>FCF is consistent with external reporting definition.<br><br>FCF, EPS (ex. items) and EBIT from continuing operations results for the year will be adjusted for:<br>⊠Restructuring, exit, integration, and impairment costs (including debt issuance and extinguishment costs) and associated savings - variance from budget;<br>⊠Acquisition/sale of "strategic" assets (e.g., transformational or material acquisitions) not contemplated in the budget;<br>⊠Impact of any "unusual in nature" or "infrequently occurring" charges or impacts related to changes in accounting principles;<br>⊠Impact of unplanned financing arrangements (including debt issuance, off-balance sheet and factoring);<br>⊠Cash taxes - variance from budget;<br>⊠Pension contributions - variances from budget;<br>⊠Pension liability settlement or plan amendment related charges;<br>⊠Impact of change in tax law or rates - variance from budget;<br>⊠Executive deferred compensation payouts not included in the budget; and<br>⊠Unusual tax items (i.e., FIN 48, Discrete Tax Items, Valuation Allowance Reversals, etc.).<br><br>Performance results may be adjusted, as appropriate, to exclude any effect of a change in tax law or rates, including any actions taken to re-time cash payments.<br><br>The Human Resources and Compensation Committee will determine the applicable performance goals and the bonuses payable upon attainment of such goals.<br><br>Notwithstanding the above, no award shall be payable unless the blended performance metrics above are attained at a level that is at least 25% of the target payout level, as certified by the Human Resources and Compensation Committee. |

| | |
|---|---|
| Funding Review and Approval | The following steps will be taken to review and approve funding:<br><br>☒CFO will review performance to evaluate required accruals;<br>☒CEO will review performance at end of performance period and recommend bonuses to the Human Resources and Compensation Committee as appropriate; and<br>☒Human Resources and Compensation Committee will review and approve bonuses as deemed appropriate. |
| Individual Awards | Individual awards will be determined on a discretionary basis using overall approved funding, evaluation of individual performance for the performance period, target incentives as a percentage of salary and covered salary (actual paid for year). In no case shall an award exceed 200% of an individual's target incentive opportunity.<br><br>Individuals must be employed at the end of the performance period to be eligible for an award, with ultimate payout at the discretion of the Human Resources and Compensation Committee. Those employees whose employment terminates due to death, permanent and total disability, or as a result of restructuring activities or plant shutdown will be eligible to receive individual awards at the discretion of the CEO and Chief Human Resources Officer. Any awards payable in the event of termination due to death, permanent disability, as a result of restructuring activities or plant shutdown shall be subject to the achievement of the applicable performance conditions and shall be paid as specified under "Timing and Form of Award Payments." |
| Timing and Form of Award Payments | In 2018, after financial results are confirmed and appropriate approvals are obtained; provided, however, that any such award shall be paid to U.S.-based employees no later than March 15, 2018. Payment may be made in cash, shares of Brunswick common stock granted under the Brunswick Corporation 2014 Stock Incentive Plan, a combination of cash or stock, or an alternate form of equity, as determined by the Human Resources and Compensation Committee. |
| Claw Back | The Human Resources and Compensation Committee will evaluate the facts and circumstances of any restatement of earnings due to fraud or intentional misconduct that results in material noncompliance with any financial reporting requirement and, in its sole discretion, may require the repayment of all or a portion of bonus awards from individual(s) responsible for the restatement and others assigned to salary grade 21 and above, including senior executives, as deemed appropriate by the Human Resources and Compensation Committee. In addition, bonus awards shall be subject to forfeiture, recovery by Brunswick or other action pursuant to any other clawback or recoupment policy which Brunswick may adopt from time to time, including without limitation any such policy which Brunswick may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law. |
| Additional Terms & Conditions | Payment of any bonus is in the sole discretion of the Human Resources and Compensation Committee. The Human Resources and Compensation Committee may modify, revise, discontinue, cancel or terminate this plan or any payments associated with this plan at any time, without notice. |

Nothing contained in these materials constitutes or is intended to create a promise of an individual incentive award or a contract of continued employment. Employment is at-will and may be terminated by either the employee or Brunswick for any reason at any time.

**2017 Brunswick Performance Plan (BPP)**
**Brunswick Corporation Senior Management Incentive Plan Participants**
**Summary Terms and Conditions**

| | |
|---|---|
| Purpose | Reward achievement of annual goals |
| Eligibility | Key managers designated by the Human Resources and Compensation Committee. |
| Performance Period | 2017 fiscal year. |
| Plan Funding - 162(m) Performance Measures | A pool will be funded for each participant based on the following:<br>☒For the CEO: 2% of Brunswick Earnings Before Interest and Taxes (EBIT)<br>☒For each individual additional participant: 1% of Brunswick EBIT<br>For the purpose of plan funding, EBIT from continuing operations will be determined on a GAAP basis and will be adjusted for:<br>☒Restructuring, exit, integration, and impairment costs (including debt issuance and extinguishment costs);<br>☒Acquisition/sale of "strategic" assets (e.g., transformational or material acquisitions) not contemplated in the budget;<br>☒Impact of any "unusual in nature" or "infrequently occurring" charges or impacts related to changes in accounting principles;<br>☒Impact of unplanned financing arrangements (including debt issuance, off-balance sheet and factoring); and<br>☒Pension liability settlement or plan amendment related charges. |

<table>
<tr><td>Performance Measures</td><td>Without exceeding the pool funded for each participant, actual bonuses will be based on achievement against the following financial measures as of the end of the performance period.<br><br>☒For Corporate-level employees,<br>✓50% based on Earnings Per Share (EPS ex. items),<br>✓16.67% based on Mercury Marine EBIT,<br>✓16.67% based on Boat Group EBIT, and<br>✓16.67% based on Life Fitness EBIT<br><br>☒For Division leaders,<br>✓50% based on EPS (ex. items), and<br>✓50% based on applicable division EBIT<br><br>EPS (ex. items) and EBIT from continuing operations results for the year will be adjusted for:<br>☒Restructuring, exit, integration, and impairment costs (including debt issuance and extinguishment costs) and associated savings - variance from budget;<br>☒Acquisition/sale of “strategic” assets (e.g., transformational or material acquisitions) not contemplated in the budget;<br>☒Impact of any “unusual in nature” or “infrequently occurring” charges or impacts related to changes in accounting principles;<br>☒Impact of unplanned financing arrangements (including debt issuance, off-balance sheet and factoring);<br>☒Pension liability settlement or plan amendment related charges;<br>☒Unusual tax items (i.e., FIN 48, Discrete Tax Items, Valuation Allowance Reversals, etc.); and<br>☒Impact of change in tax law or rates - variance from budget.<br><br>Performance results may be adjusted, as appropriate, to exclude any effect of a change in tax law or rates.<br><br>The Human Resources and Compensation Committee will determine the applicable performance goals and the bonuses payable upon attainment of such goals.<br><br>Notwithstanding the above, no award shall be payable unless the blended performance metrics above are attained at a level that is at least 25% of the target payout level, as certified by the Human Resources and Compensation Committee.</td></tr>
<tr><td>Funding Review and Approval</td><td>The following steps will be taken to review and approve funding:<br><br>☒CFO will review performance to evaluate required accruals;<br>☒CEO will review performance at end of performance period and provide funding information to the Human Resource and Compensation Committee as appropriate; and<br>☒Human Resources and Compensation Committee will review and certify performance and funding of pools.</td></tr>
</table>

| | |
|---|---|
| Individual Awards | Without exceeding each participant's funded pool based on the attainment of the performance goals certified by the Human Resources and Compensation Committee, individual awards will be determined by the Human Resources and Compensation Committee on a discretionary basis using overall performance versus the established performance measures, evaluation of individual performance for the performance period, target incentives as a percentage of salary and covered salary (actual paid for year). In no case shall an award exceed:<br><br>☒200% of an individual's target incentive opportunity,<br>☒the amount of the pool funded for the individual or<br>☒the maximum amount payable under the Brunswick Corporation Senior Management Incentive Plan.<br><br>Individuals must be employed at the end of the performance period to be eligible for an award, with ultimate payout at the discretion of the Human Resources and Compensation Committee. Those employees whose employment terminates due to death, permanent and total disability, or as a result of restructuring activities or plant shutdown will be eligible to receive individual awards at the recommendation of the CEO and Chief Human Resources Officer and the approval of the Human Resources and Compensation Committee. Any awards payable in the event of termination due to death, permanent disability, as a result of restructuring activities or plant shutdown shall be subject to the achievement of the applicable performance conditions and shall be paid as specified under "Timing and Form of Award Payments." |
| Timing and Form of Award Payments | In 2018, after financial results are confirmed and appropriate approvals are obtained; provided, however, that any such award shall be paid to U.S.-based employees no later than March 15, 2018. Payment may be made in cash, shares of Brunswick common stock granted under the Brunswick 2014 Stock Incentive Plan, or a combination of cash or stock, or an alternate form of equity, as determined by the Human Resources and Compensation Committee. |
| Claw Back | The Human Resources and Compensation Committee will evaluate the facts and circumstances of any restatement of earnings due to fraud or intentional misconduct that results in material noncompliance with any financial reporting requirement and, in its sole discretion, may require the repayment of all or a portion of bonus awards from individual(s) responsible for the restatement and others assigned to salary grade 21 and above, including senior executives, as deemed appropriate by the Human Resources and Compensation Committee. In addition, bonus awards shall be subject to forfeiture, recovery by Brunswick or other action pursuant to any other clawback or recoupment policy which Brunswick may adopt from time to time, including without limitation any such policy which Brunswick may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law. |
| Additional Terms & Conditions | This plan is a subplan under the Brunswick Corporation Senior Management Incentive Plan, and shall be subject to all of the terms, conditions and limitations under such plan. Payment of any bonus is in the sole discretion of the Human Resources and Compensation Committee. The Human Resources and Compensation Committee may modify, revise, discontinue, cancel or terminate this plan or any payments associated with this plan at any time, without notice. |

Nothing contained in these materials constitutes or is intended to create a promise of an individual incentive award or a contract of continued employment. Employment is at-will and may be terminated by either the employee or Brunswick for any reason at any time.

**2017 Brunswick Performance Plan (BPP)**
**Performance Share Participants Other Than Those in the Brunswick Corporation Senior Management Incentive Plan**
**Summary Terms and Conditions**

<table>
<tr><td>Purpose</td><td>Reward achievement of annual goals</td></tr>
<tr><td>Eligibility</td><td>Key managers identified on an individual basis.</td></tr>
<tr><td>Performance Period</td><td>2017 fiscal year.</td></tr>
<tr><td>Performance Measures</td><td>Bonuses based 100% on achievement against the following financial measures as of the end of the performance period.<br><br>
☒For Corporate-level employees,<br>
✓50% based on Earnings Per Share (EPS ex. items),<br>
✓16.67% based on Mercury Marine Earnings Before Interest and Taxes (EBIT),<br>
✓16.67% based on Boat Group EBIT, and<br>
✓16.67% based on Life Fitness EBIT<br><br>
☒For Division leaders,<br>
✓50% based on EPS (ex. items), and<br>
✓50% based on applicable division EBIT<br><br>
EPS (ex. items) and EBIT from continuing operations results for the year will be adjusted for:<br>
☒Restructuring, exit, integration, and impairment costs (including debt issuance and extinguishment costs) and associated savings - variance from budget;<br>
☒Acquisition/sale of “strategic” assets (e.g., transformational or material acquisitions) not contemplated in the budget;<br>
☒Impact of any “unusual in nature” or “infrequently occurring” charges or impacts related to changes in accounting principles;<br>
☒Impact of unplanned financing arrangements (including debt issuance, off-balance sheet and factoring);<br>
☒Pension liability settlement or plan amendment related charges;<br>
☒Unusual tax items (i.e., FIN 48, Discrete Tax Items, Valuation Allowance Reversals, etc.); and<br>
☒Impact of change in tax law or rates - variance from budget.<br><br>
Performance results may be adjusted, as appropriate, to exclude any effect of a change in tax law or rates.<br><br>
The Human Resources and Compensation Committee will determine the applicable performance goals and the bonuses payable upon attainment of such goals.<br><br>
Notwithstanding the above, no award shall be payable unless the blended performance metrics above are attained at a level that is at least 25% of the target payout level, as certified by the Human Resources and Compensation Committee.</td></tr>
</table>

| | |
|---|---|
| Funding Review and Approval | The following steps will be taken to review and approve funding:<br><br>☒CFO will review performance to evaluate required accruals;<br><br>☒CEO will review performance at end of performance period and recommend bonuses to the Human Resources and Compensation Committee as appropriate; and<br><br>☒Human Resources and Compensation Committee will review and approve bonuses as deemed appropriate. |
| Individual Awards | Individual awards will be determined on a discretionary basis using overall approved funding, evaluation of individual performance for the performance period, target incentives as a percentage of salary and covered salary (actual paid for year). In no case shall an award exceed 200% of an individual’s target incentive opportunity.<br><br>Individuals must be employed at the end of the performance period to be eligible for an award, with ultimate payout at the discretion of the Human Resources and Compensation Committee. Those employees whose employment terminates due to death, permanent and total disability, or as a result of restructuring activities or plant shutdown will be eligible to receive individual awards at the discretion of the CEO and Chief Human Resources Officer. Any awards payable in the event of termination due to death, permanent disability, as a result of restructuring activities or plant shutdown shall be subject to the achievement of the applicable performance conditions and shall be paid as specified under “Timing and Form of Award Payments.” |
| Timing and Form of Award Payments | In 2018, after financial results are confirmed and appropriate approvals are obtained; provided, however, that any such award shall be paid to U.S.-based employees no later than March 15, 2018. Payment may be made in cash, shares of Brunswick common stock granted under the Brunswick Corporation 2014 Stock Incentive Plan, a combination of cash or stock, or an alternate form of equity, as determined by the Human Resources and Compensation Committee. |
| Claw Back | The Human Resources and Compensation Committee will evaluate the facts and circumstances of any restatement of earnings due to fraud or intentional misconduct that results in material noncompliance with any financial reporting requirement and, in its sole discretion, may require the repayment of all or a portion of bonus awards from individual(s) responsible for the restatement and others assigned to salary grade 21 and above, including senior executives, as deemed appropriate by the Human Resources and Compensation Committee. In addition, bonus awards shall be subject to forfeiture, recovery by Brunswick or other action pursuant to any other clawback or recoupment policy which Brunswick may adopt from time to time, including without limitation any such policy which Brunswick may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law. |
| Additional Terms & Conditions | Payment of any bonus is in the sole discretion of the Human Resources and Compensation Committee. The Human Resources and Compensation Committee may modify, revise, discontinue, cancel or terminate this plan or any payments associated with this plan at any time, without notice. |

Nothing contained in these materials constitutes or is intended to create a promise of an individual incentive award or a contract of continued employment. Employment is at-will and may be terminated by either the employee or Brunswick for any reason at any time.

**2017 Stock-Settled Restricted Stock Unit Grant Terms and Conditions**
**Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan (the "Plan")**

| | |
|---|---|
| Purpose | To encourage retention of key managers so as to support the execution of business strategies in order to encourage and reward the creation of sustainable, long-term shareholder value and achieve future goals. |
| Restricted Stock Units | Restricted Stock Units valued on the same basis as Brunswick Corporation ("Brunswick") common stock ("Stock") where one unit equals one share. Dividend equivalents will be reinvested in additional restricted stock units. There are no voting rights attached to restricted stock units. |
| Grant Date | _____________, 2017 |
| Award | _____________ Restricted Stock Units. |

| | |
|---|---|
| Vesting | Restricted stock units will vest and be distributed as follows:<br>☒Three years from the Grant Date, subject to continued employment;<br>☒In the case of a termination of employment (other than for Cause (as defined below) or due to death or Permanent Disability (as defined below)) (i) prior to a Change in Control (as defined in the Plan) and (ii) on or after (A) the first anniversary of the Grant Date and (B) the date on which age plus years of continuous service from latest hire date equals 70 or more or age is 62 or more ("Rule of 70/Age 62"), all of the award will be vested and distributed three years from the Grant Date;<br>☒In the case of a termination of employment (other than for Cause or due to death or Permanent Disability) (i) prior to (A) a Change in Control and (B) the first anniversary of the Grant Date, and (ii) on or after the date on which the Rule of 70/Age 62 is attained, a pro-rata portion of the award will be vested and distributed three years from the Grant Date. For purposes of the foregoing sentence, a "pro-rata portion" will mean the product of (x) the number of restricted stock units awarded that would have vested on the normal vesting date and (y) a fraction, the numerator of which is the number of days that have elapsed since January 1 of the year of grant through the date of termination of the recipient's employment, provided number does not exceed 365, and the denominator of which is 365. All remaining restricted stock units will be forfeited;<br>☒In the event of a Change in Control pursuant to which the award is effectively assumed or continued by the surviving or acquiring corporation and (i) the termination of the Grantee's employment (other than for Cause or due to death or Permanent Disability) on or after the date on which the Grantee has attained the Rule of 70/Age 62, or (ii) Brunswick terminates the Grantee's employment without Cause or the Grantee resigns for Good Reason (as defined below), in each case, all of the award will be vested and distributed within thirty (30) days following such termination of employment; provided, however, that if the award is considered "nonqualified deferred compensation" within the meaning of Internal Revenue Code Section 409A with respect to the Grantee and (i) the Change in Control was not a "change in control event" within the meaning of Internal Revenue Code Section 409A or (ii) the termination of employment occurred more than two years following the occurrence of the "change in control event," then the vested award shall be distributed three years from the Grant Date;<br>☒In the event of a Change in Control pursuant to which the award is not effectively assumed or continued by the surviving or acquiring corporation, the award shall vest and be distributed within thirty (30) days following the Change in Control; provided, however, if the award is considered "nonqualified deferred compensation" within the meaning of Internal Revenue Code Section 409A with respect to the Grantee and the Change in Control was not a "change in control event" within the meaning of Internal Revenue Code Section 409A or to the extent distribution would be impermissible under Internal Revenue Code Section 409A, then the vested award shall be distributed three years from the Grant Date; or<br>☒On death or termination due to Permanent Disability.<br>☒Determinations as to whether the award has been effectively assumed or continued by the surviving or acquiring corporation shall be made by the Human Resources and Compensation Committee, as constituted prior to the Change in Control. |

| | |
|---|---|
| Termination of Employment | ☒Forfeiture of restricted stock units in the event employment terminates prior to vesting, except (i) as described above with respect to termination in connection with a Change in Control or due to death or Permanent Disability or (ii) if age and years of service equals the Rule of 70/Age 62, in which case all or a pro-rata portion of the restricted stock units will vest as described above (Rule of 70/Age 62 provisions do not apply for grants made to residents of the European Union), provided that the restricted stock units shall be forfeited in the case of a Grantee who qualifies for the Rule of 70/Age 62 treatment if such Grantee's employment is terminated due to Cause.<br><br>☒The restricted stock units shall be forfeited in their entirety upon any termination for Cause, including any termination for Cause of an employee who has attained the Rule of 70/Age 62.<br><br>☒Notwithstanding anything to the contrary in these terms and conditions, the favorable vesting terms described for those who have attained the Rule of 70/Age 62 shall not apply to grants made to residents of the European Union. |
| Tax Withholding | For those meeting Rule of 70/Age 62 prior to the year of scheduled distribution, tax withholding liability to meet required FICA must be paid via payroll or participant check by the end of the year of meeting Rule of 70/Age 62, except that the FICA taxes on amounts vesting during the first December after grant for those who have met Rule of 70/Age 62 during the year of grant will be collected during the next calendar quarter. Subsequent Federal, state and local income tax withholding must be paid via share reduction upon distribution.<br><br>For all others, tax withholding liability (to meet required FICA, Federal, state, and local withholding) must be paid via share reduction upon distribution. |
| Timing and Form of Distribution | Upon distribution, shares will be deposited to your brokerage account on record with Shareholder Services.<br><br>Distributions will occur as soon as practical, but no later than 2-½ months after the distribution date provided above (and, in no event later than March 15, 2021), except that if you are a "specified employee" (as such term is defined under Internal Revenue Code Section 409A) as of the date of your "separation from service" (as such term is defined under Internal Revenue Code Section 409A), then to the extent any amount to be distributed in connection with the settlement of the award is payable upon the Grantee's "separation from service" and constitutes the payment of nonqualified deferred compensation, within the meaning of Internal Revenue Code Section 409A, the distribution will not be made before 6 months after separation from service (or, if earlier, death). |

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| Additional Terms and Conditions | Grants are subject to the terms of the Plan. To the extent any provision herein conflicts with the Plan, the Plan shall govern. The Human Resources and Compensation Committee of the Board administers the Plan. The Committee may interpret the Plan and adopt, amend and rescind administrative guidelines and other rules as deemed appropriate. Committee determinations are binding.<br><br>"Permanent Disability" means the inability, by reason of a medically determinable physical or mental impairment, to engage in any substantial gainful activity, which condition, in the opinion of a physician selected by the Committee, is expected to have a duration of not less than 120 days.<br><br>"Good Reason" shall have the meaning set forth in the employment agreement, if any, between the Grantee and Brunswick as in effect on the Grant Date, provided that if the Grantee is not a party to an employment agreement that contains such definition, then Good Reason means the occurrence of any of the following events without the Grantee's express written consent: (a) a material breach by Brunswick of any provision of this Agreement; (b) Brunswick's failure to pay any portion of Grantee's compensation when due or to include Grantee in any bonus or incentive plan that applies to similarly situated employees of Brunswick; (c) Brunswick's failure to provide, or continue to provide, Grantee with either the perquisites or employee health and welfare benefits (including, without limitation, life insurance, medical, dental, vision, long-term disability and similar benefits), generally provided to similarly situated employees of Brunswick; (d) a Reduction in Authority or Responsibility of the Grantee (as defined below); (e) a Reduction in Compensation (as defined below); and (f) a Business Relocation Beyond a Reasonable Commuting Distance (as defined below); provided, however, that the occurrence of any such condition shall not constitute Good Reason unless (x) the Grantee provides written notice to Brunswick of the existence of such condition not later than 60 days after the Grantee knows or reasonably should know of the existence of such condition, (y) Brunswick fails to remedy such condition within 30 days after receipt of such notice and (z) Grantee resigns due to the existence of such condition within 60 days after the expiration of the remedial period described in clause (y) hereof. |

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| Additional Terms and Conditions | Whether a Reduction in Authority or Responsibility of the Grantee has occurred shall be determined in accordance with the criteria set forth below in the definition of Reduction in Authority or Responsibility; provided, however, that (A) a change in the Grantee's reporting relationship to another employee who is within the same reporting level (as that term is used in Brunswick's Delegation of Authority Policy or any successor policy); or (B) a reduction in the Grantee's business unit's budget or a reduction in the Grantee's business unit's head count or number of direct reports, by themselves, shall not constitute Good Reason.<br><br>"Reduction in Authority or Responsibility" shall mean the assignment to the Grantee of any duties that are materially inconsistent in any respect with the Grantee's position (which may include status, offices, titles, and reporting requirements), authority, duties, or responsibilities as in effect immediately prior to such assignment. It is intended by this definition that a Change in Control by itself, absent a Reduction in Authority or Responsibility as described above, will not constitute Good Reason.<br><br>"Reduction in Compensation" shall mean (i) a reduction in the Grantee's total annual compensation (defined as the sum of the Grantee's base salary and target annual bonus) for any calendar or fiscal year, as applicable, to an amount that is less than the Grantee's total annual compensation in effect immediately prior to such reduction, (ii) the elimination of any Brunswick incentive compensation plan in which Grantee is a participant without the adoption of a substantially comparable replacement plan, or (iii) the failure to provide Grantee with equity compensation opportunities or long-term cash incentive compensation opportunities that have a value that is substantially comparable to the value of the equity compensation opportunities provided to the Grantee immediately prior to the Change in Control.<br><br>"Business Relocation Beyond a Reasonable Commuting Distance" shall mean that, as a result of either a relocation of Brunswick or a reassignment of the Grantee, a change occurs in the Grantee's principal work location to a location that (i) is more than fifty (50) highway miles from the Grantee's principal work location immediately prior to the relocation, and (ii) increases the Grantee's commuting distance in highway mileage.<br><br>"Cause" shall mean willful misconduct in the performance of duties.<br><br>This award and any shares delivered pursuant to this award are subject to forfeiture, recovery by Brunswick or other action pursuant to any clawback or recoupment policy which Brunswick may adopt from time to time, including without limitation any such policy which Brunswick may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.<br><br>The Plan may be amended, suspended or terminated at any time. The Plan will be governed by the laws of the State of Illinois, without regard to the conflict of law provisions of any jurisdiction. |

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Nothing contained in these Terms and Conditions or the Plan constitutes or is intended to create a contract of continued employment. Employment is at-will and may be terminated by either the employee or Brunswick (including affiliates) for any reason at any time.

For questions and or a copy of the Prospectus, please contact: *Lesley Harling,*
*Shareholder Services*
*Brunswick Corporation*
*1 N. Field Court*
*Lake Forest, Illinois 60045-4811*
*847-735-4294*
*lesley.harling@brunswick.com*

**2017 Cash-Settled Restricted Stock Unit Grant Terms and Conditions**
**Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan (the "Plan")**

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| Purpose | To encourage retention of key managers so as to support the execution of business strategies in order to encourage and reward the creation of sustainable, long-term shareholder value and achieve future goals. |
| Cash-settled Restricted Stock Units | Cash-settled Restricted Stock Units valued on the same basis as Brunswick Corporation ("Brunswick") common stock ("Stock") where one unit equals one share. Dividend equivalents will be reinvested in additional restricted stock units. There are no voting rights attached to restricted stock units. |
| Grant Date | _____________, 2017 |
| Award | ____________ Cash-settled Restricted Stock Units. |

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| Vesting | Cash-settled restricted stock units will vest and be distributed as follows:<br>☒Three years from the Grant Date, subject to continued employment;<br>☒In the case of a termination of employment (other than for Cause (as defined below) or due to death or Permanent Disability (as defined below)) (i) prior to a Change in Control (as defined in the Plan) and (ii) on or after (A) the first anniversary of the Grant Date and (B) the date on which age plus years of continuous service from latest hire date equals 70 or more or age is 62 or more ("Rule of 70/Age 62"), all of the award will be vested and distributed three years from the Grant Date;<br>☒In the case of a termination of employment (other than for Cause or due to death or Permanent Disability) (i) prior to (A) a Change in Control and (B) the first anniversary of the Grant Date, and (ii) on or after the date on which the Rule of 70/Age 62 is attained, a pro-rata portion of the award will be vested and distributed three years from the Grant Date. For purposes of the foregoing sentence, a "pro-rata portion" will mean the product of (x) the number of restricted stock units awarded that would have vested on the normal vesting date and (y) a fraction, the numerator of which is the number of days that have elapsed since January 1 of the year of grant through the date of termination of the recipient's employment, provided number does not exceed 365, and the denominator of which is 365. All remaining restricted stock units will be forfeited;<br>☒In the event of a Change in Control pursuant to which the award is effectively assumed or continued by the surviving or acquiring corporation and (i) the termination of the Grantee's employment (other than for Cause or due to death or Permanent Disability) on or after the date on which the Grantee has attained the Rule of 70/Age 62, or (ii) Brunswick terminates the Grantee's employment without Cause or the Grantee resigns for Good Reason (as defined below), in each case, all of the award will be vested and distributed within thirty (30) days following such termination of employment; provided, however, that if the award is considered "nonqualified deferred compensation" within the meaning of Internal Revenue Code Section 409A with respect to the Grantee and (i) the Change in Control was not a "change in control event" within the meaning of Internal Revenue Code Section 409A or (ii) the termination of employment occurred more than two years following the occurrence of the "change in control event," then the vested award shall be distributed three years from the Grant Date;<br>☒In the event of a Change in Control pursuant to which the award is not effectively assumed or continued by the surviving or acquiring corporation, the award shall vest and be distributed within thirty (30) days following the Change in Control; provided, however, if the award is considered "nonqualified deferred compensation" within the meaning of Internal Revenue Code Section 409A with respect to the Grantee and the Change in Control was not a "change in control event" within the meaning of Internal Revenue Code Section 409A or to the extent distribution would be impermissible under Internal Revenue Code Section 409A, then the vested award shall be distributed three years from the Grant Date; or<br>☒On death or termination due to Permanent Disability.<br>☒Determinations as to whether the award has been effectively assumed or continued by the surviving or acquiring corporation shall be made by the Human Resources and Compensation Committee, as constituted prior to the Change in Control. |

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| Termination of Employment | ☒Forfeiture of cash-settled restricted stock units in the event employment terminates prior to vesting, except (i) as described above with respect to termination in connection with a Change in Control or due to death or Permanent Disability or (ii) if age and years of service equals the Rule of 70/Age 62, in which case all or a pro-rata portion of the restricted stock units will vest as described above (Rule of 70/Age 62 provisions do not apply for grants made to residents of the European Union), provided that the restricted stock units shall be forfeited in the case of a Grantee who qualifies for the Rule of 70/Age 62 treatment if such Grantee's employment is terminated due to Cause.<br><br>☒The cash-settled restricted stock units shall be forfeited in their entirety upon any termination for Cause, including any termination for Cause of an employee who has attained the Rule of 70/Age 62.<br><br>☒Notwithstanding anything to the contrary in these terms and conditions, the favorable vesting terms described for those who have attained the Rule of 70/Age 62 shall not apply to grants made to residents of the European Union. |
| Tax Withholding | For those meeting Rule of 70/Age 62 prior to the year of scheduled distribution, tax withholding liability to meet required FICA must be paid via payroll or participant check by the end of the year of meeting Rule of 70/Age 62, except that the FICA taxes on amounts vesting during the first December after grant for those who have met Rule of 70/Age 62 during the year of grant will be collected during the next calendar quarter. Subsequent Federal, state and local income tax withholding will be paid from the gross payment upon distribution.<br><br>For all others, tax withholding liability (to meet required FICA, Federal, state, and local withholding) must be deducted from the gross payment upon distribution. |
| Timing and Form of Distribution | Distribution will be in the form of a cash payment in an amount equal to the number of units multiplied by the share price at the time of distribution, less applicable withholding.<br><br>Distributions will occur as soon as practical, but no later than 2-½ months after the distribution date provided above (and, in no event later than March 15, 2021), except that if you are a "specified employee" (as such term is defined under Internal Revenue Code Section 409A) as of the date of your "separation from service" (as such term is defined under Internal Revenue Code Section 409A), then to the extent any amount to be distributed in connection with the settlement of the award is payable upon the Grantee's "separation from service" and constitutes the payment of nonqualified deferred compensation, within the meaning of Internal Revenue Code Section 409A, the distribution will not be made before 6 months after separation from service (or, if earlier, death). |

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| Additional Terms and Conditions | Grants are subject to the terms of the Plan. To the extent any provision herein conflicts with the Plan, the Plan shall govern. The Human Resources and Compensation Committee of the Board administers the Plan. The Committee may interpret the Plan and adopt, amend and rescind administrative guidelines and other rules as deemed appropriate. Committee determinations are binding.<br><br>"Permanent Disability" means the inability, by reason of a medically determinable physical or mental impairment, to engage in any substantial gainful activity, which condition, in the opinion of a physician selected by the Committee, is expected to have a duration of not less than 120 days.<br><br>"Good Reason" shall have the meaning set forth in the employment agreement, if any, between the Grantee and Brunswick as in effect on the Grant Date, provided that if the Grantee is not a party to an employment agreement that contains such definition, then Good Reason means the occurrence of any of the following events without the Grantee's express written consent: (a) a material breach by Brunswick of any provision of this Agreement; (b) Brunswick's failure to pay any portion of Grantee's compensation when due or to include Grantee in any bonus or incentive plan that applies to similarly situated employees of Brunswick; (c) Brunswick's failure to provide, or continue to provide, Grantee with either the perquisites or employee health and welfare benefits (including, without limitation, life insurance, medical, dental, vision, long-term disability and similar benefits), generally provided to similarly situated employees of Brunswick; (d) a Reduction in Authority or Responsibility of the Grantee (as defined below); (e) a Reduction in Compensation (as defined below); and (f) a Business Relocation Beyond a Reasonable Commuting Distance (as defined below); provided, however, that the occurrence of any such condition shall not constitute Good Reason unless (x) the Grantee provides written notice to Brunswick of the existence of such condition not later than 60 days after the Grantee knows or reasonably should know of the existence of such condition, (y) Brunswick fails to remedy such condition within 30 days after receipt of such notice and (z) Grantee resigns due to the existence of such condition within 60 days after the expiration of the remedial period described in clause (y) hereof. |

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| Additional Terms and Conditions | Whether a Reduction in Authority or Responsibility of the Grantee has occurred shall be determined in accordance with the criteria set forth below in the definition of Reduction in Authority or Responsibility; provided, however, that (A) a change in the Grantee's reporting relationship to another employee who is within the same reporting level (as that term is used in Brunswick's Delegation of Authority Policy or any successor policy); or (B) a reduction in the Grantee's business unit's budget or a reduction in the Grantee's business unit's head count or number of direct reports, by themselves, shall not constitute Good Reason.<br><br>"Reduction in Authority or Responsibility" shall mean the assignment to the Grantee of any duties that are materially inconsistent in any respect with the Grantee's position (which may include status, offices, titles, and reporting requirements), authority, duties, or responsibilities as in effect immediately prior to such assignment. It is intended by this definition that a Change in Control by itself, absent a Reduction in Authority or Responsibility as described above, will not constitute Good Reason.<br><br>"Reduction in Compensation" shall mean (i) a reduction in the Grantee's total annual compensation (defined as the sum of the Grantee's base salary and target annual bonus) for any calendar or fiscal year, as applicable, to an amount that is less than the Grantee's total annual compensation in effect immediately prior to such reduction, (ii) the elimination of any Brunswick incentive compensation plan in which Grantee is a participant without the adoption of a substantially comparable replacement plan, or (iii) the failure to provide Grantee with equity compensation opportunities or long-term cash incentive compensation opportunities that have a value that is substantially comparable to the value of the equity compensation opportunities provided to the Grantee immediately prior to the Change in Control.<br><br>"Business Relocation Beyond a Reasonable Commuting Distance" shall mean that, as a result of either a relocation of Brunswick or a reassignment of the Grantee, a change occurs in the Grantee's principal work location to a location that (i) is more than fifty (50) highway miles from the Grantee's principal work location immediately prior to the relocation, and (ii) increases the Grantee's commuting distance in highway mileage.<br><br>"Cause" shall mean willful misconduct in the performance of duties.<br><br>This award and any shares delivered pursuant to this award are subject to forfeiture, recovery by Brunswick or other action pursuant to any clawback or recoupment policy which Brunswick may adopt from time to time, including without limitation any such policy which Brunswick may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.<br><br>The Plan may be amended, suspended or terminated at any time. The Plan will be governed by the laws of the State of Illinois, without regard to the conflict of law provisions of any jurisdiction. |

Nothing contained in these Terms and Conditions or the Plan constitutes or is intended to create a contract of continued employment. Employment is at-will and may be terminated by either the employee or Brunswick (including affiliates) for any reason at any time.

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For questions and or a copy of the Prospectus, please contact: *Lesley Harling*
*Shareholder Services*
*Brunswick Corporation*
*1 N. Field Court*
*Lake Forest, Illinois 60045-4811*
*847-735-4294*
*lesley.harling@brunswick.com*

**2017 Stock-Settled Stock Appreciation Right Grant Terms and Conditions**
**Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan (the "Plan")**

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| Purpose | To promote Brunswick's long term financial interests and growth. |
| Stock-Settled Stock Appreciation Right | The right to receive a payment in Brunswick Stock (as defined in the Plan) equal to the excess of the Stock's Fair Market Value (as defined in the Plan) at exercise over the exercise price as established on the Grant Date attributable to the number of underlying Stock-Settled Stock Appreciation Rights ("Stock-Settled SARs") granted.<br><br>By exercising Stock-Settled SARs, you agree to the terms and conditions of the grant. |
| Exercise Price | Closing price as reported on the New York Stock Exchange Composite Transactions Tape on the Grant Date. |
| Grant Date | ___________, 2017 |
| Award | ____________ Stock-Settled SARs |

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| Vesting | Stock-Settled SARs vest and become exercisable as follows:<br>☒One-fourth of the Stock-Settled SARs granted on each of the first, second, third, and fourth anniversaries of the Grant Date, so long as employment by Brunswick or its designated affiliates continues on each such anniversary date;<br>☒In the case of a termination of employment (other than for Cause (as defined below) or due to death or Permanent Disability (as defined below)) (i) prior to a Change in Control (as defined in the Plan) and (ii) on or after (A) the first anniversary of the Grant Date and (B) the date on which age plus years of continuous service from latest start date equals 70 or more or age is 62 or more (the "Rule of 70/Age 62"), vesting will continue on the normal vesting schedule described immediately above;<br>☒In the case of a termination of employment (other than for Cause or due to death or Permanent Disability) (i) prior to (A) a Change in Control and (B) the first anniversary of the Grant Date, and (ii) on or after the date on which the Rule of 70/Age 62 has been attained, a pro-rata portion of the award will vest on each anniversary of the Grant Date pursuant to the normal vesting schedule described above. For purposes of the foregoing sentence, a "pro-rata portion" will mean the product of (x) the number of shares underlying the Stock-Settled SAR award that would have vested on the applicable anniversary of the Grant Date pursuant to the normal vesting schedule and (y) a fraction, the numerator of which is the number of days that have elapsed since January 1 of the year of grant through the date of termination of the recipient's employment, provided number does not exceed 365, and the denominator of which is 365. All remaining shares will be forfeited;<br>☒In the event of a Change in Control pursuant to which the award is effectively assumed or continued by the surviving or acquiring corporation and (i) the termination of the Grantee's employment (other than for Cause or due to death or Permanent Disability) on or after the date on which the Grantee's age plus years of service equals the Rule of 70/Age 62, or (ii) Brunswick terminates the Grantee's employment without Cause or the Grantee resigns for Good Reason (as defined below), in each case, all of the award shall vest as of the date of such termination of employment;<br>☒In the event of a Change in Control pursuant to which the award is not effectively assumed or continued by the surviving or acquiring corporation in such Change in Control, the award shall vest as of the date of the Change in Control; or<br>☒The award shall vest on death or termination due to Permanent Disability.<br>☒Determinations as to whether the award has been effectively assumed or continued by the surviving or acquiring corporation shall be made by the Human Resources and Compensation Committee, as constituted prior to the Change in Control. |

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| Grant Term | Vested Stock-Settled SARs will remain exercisable as follows:<br>☒Until the termination of employment, if involuntarily terminated for Cause, including any termination for Cause of an employee who has attained the Rule of 70/Age 62, or<br>☒Based on eligibility as of the last day employed, the latest of the following:<br>☒30 days after voluntary termination;<br>☒One year after involuntary termination without Cause (for example, reductions-in-force or reorganization), or if your employer ceases to be a Subsidiary (as defined in the Plan) of Brunswick, unless the Committee provides otherwise;<br>☒Two years after termination following a Change in Control;<br>☒Five years after termination due to death or Permanent Disability; or<br>☒Five years after termination of employment (other than for Cause or due to death or Permanent Disability), provided that such termination occurs on or after the date on which the Rule of 70/Age 62 provisions are achieved.<br>☒But, in no event may your Stock-Settled SAR be exercised later than ten years from the Grant Date. |
| Exercise Settlement-Payment / Tax Withholding | On exercise, the number of shares of Brunswick Stock delivered will be determined as follows:<br>☒The difference between the Fair Market Value on date of exercise and the per share exercise price will be determined.<br>☒This difference will be multiplied by the number of Stock-Settled SARs being exercised to determine the total dollar gain.<br>☒The total dollar gain will be divided by the Fair Market Value on date of exercise.<br>If, upon exercise, you would be entitled to a fractional security, such fractional security shall be disregarded and the cash equivalent of such fractional security shall be applied to your tax withholding liability. Should you elect to have the required tax withholding satisfied by delivery of shares, then the ultimate Stock delivered will be reduced by an amount necessary to accommodate the required tax withholding.<br>Tax withholding liability (to meet required FICA, federal, state, and local withholding) can be paid in any combination of the following:<br>☒Reduction in shares delivered to accommodate the required minimum tax withholding, or<br>☒Cash or check. |

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| Additional Terms and Conditions | Grants are subject to the terms of the Plan. To the extent any provision herein conflicts with the Plan, the Plan will govern. The Committee administers the Plan. The Committee may interpret the Plan and adopt, amend and rescind administrative guidelines and other rules as deemed appropriate. Committee determinations are binding.<br><br>Notwithstanding anything to the contrary in these terms and conditions, the favorable vesting terms described for those who have attained the Rule of 70/Age 62 shall not apply to grants made to residents of the European Union.<br><br>“Permanent Disability” means the inability, by reason of a medically determinable physical or mental impairment, to engage in any substantial gainful activity, which condition, in the opinion of a physician selected by the Committee, is expected to have a duration of not less than 120 days.<br><br>“Good Reason” shall have the meaning set forth in the employment agreement, if any, between the Grantee and Brunswick as in effect on the Grant Date, provided that if the Grantee is not a party to an employment agreement that contains such definition, then Good Reason means the occurrence of any of the following events without the Grantee’s express written consent: (a) a material breach by Brunswick of any provision of this Agreement; (b) Brunswick’s failure to pay any portion of Grantee’s compensation when due or to include Grantee in any bonus or incentive plan that applies to similarly situated employees of Brunswick; (c) Brunswick’s failure to provide, or continue to provide, Grantee with either the perquisites or employee health and welfare benefits (including, without limitation, life insurance, medical, dental, vision, long-term disability and similar benefits), generally provided to similarly situated employees of Brunswick; (d) a Reduction in Authority or Responsibility of the Grantee (as defined below); (e) a Reduction in Compensation (as defined below); and (f) a Business Relocation Beyond a Reasonable Commuting Distance (as defined below); provided, however, that the occurrence of any such condition shall not constitute Good Reason unless (x) the Grantee provides written notice to Brunswick of the existence of such condition not later than 60 days after the Grantee knows or reasonably should know of the existence of such condition, (y) Brunswick fails to remedy such condition within 30 days after receipt of such notice and (z) Grantee resigns due to the existence of such condition within 60 days after the expiration of the remedial period described in clause (y) hereof. |

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| Additional Terms and Conditions | Whether a Reduction in Authority or Responsibility of the Grantee has occurred shall be determined in accordance with the criteria set forth below in the definition of Reduction in Authority or Responsibility; provided, however, that (A) a change in the Grantee's reporting relationship to another employee who is within the same reporting level (as that term is used in Brunswick's Delegation of Authority Policy or any successor policy); or (B) a reduction in the Grantee's business unit's budget or a reduction in the Grantee's business unit's head count or number of direct reports, by themselves, shall not constitute Good Reason.<br><br>"Reduction in Authority or Responsibility" shall mean the assignment to the Grantee of any duties that are materially inconsistent in any respect with the Grantee's position (which may include status, offices, titles, and reporting requirements), authority, duties, or responsibilities as in effect immediately prior to such assignment. It is intended by this definition that a Change in Control by itself, absent a Reduction in Authority or Responsibility as described above, will not constitute Good Reason.<br><br>"Reduction in Compensation" shall mean (i) a reduction in the Grantee's total annual compensation (defined as the sum of the Grantee's base salary and target annual bonus) for any calendar or fiscal year, as applicable, to an amount that is less than the Grantee's total annual compensation in effect immediately prior to such reduction, (ii) the elimination of any Brunswick incentive compensation plan in which Grantee is a participant without the adoption of a substantially comparable replacement plan, or (iii) the failure to provide Grantee with equity compensation opportunities or long-term cash incentive compensation opportunities that have a value that is substantially comparable to the value of the equity compensation opportunities provided to the Grantee immediately prior to the Change in Control.<br><br>"Business Relocation Beyond a Reasonable Commuting Distance" shall mean that, as a result of either a relocation of Brunswick or a reassignment of the Grantee, a change occurs in the Grantee's principal work location to a location that (i) is more than fifty (50) highway miles from the Grantee's principal work location immediately prior to the relocation, and (ii) increases the Grantee's commuting distance in highway mileage.<br><br>"Cause" shall mean willful misconduct in the performance of duties.<br><br>This award and any shares delivered pursuant to this award are subject to forfeiture, recovery by Brunswick or other action pursuant to any clawback or recoupment policy which Brunswick may adopt from time to time, including without limitation any such policy which Brunswick may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.<br><br>The Plan may be amended, suspended or terminated at any time. The Plan will be governed by the laws of the State of Illinois, without regard to the conflict of law provisions of any jurisdiction. |

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Nothing contained in these Terms and Conditions or the Plan constitutes or is intended to create a contract of continued employment. Employment is at-will and may be terminated by either the employee or Brunswick (including affiliates) for any reason at any time.

For questions and instructions on how to exercise, or for a copy of the Prospectus, please contact:

*Lesley Harling, Shareholder Services*
*Brunswick Corporation*
*1 N. Field Court*
*Lake Forest, Illinois 60045-4811*
*847-735-4294*
*lesley.harling@brunswick.com*

**2017 Performance Share Grant Terms and Conditions**
**Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan (the “Plan”)**

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| Purpose | To provide incentives to (i) support the execution of Brunswick Corporation’s business strategies and (ii) more closely align the interests of the award recipient with those of Brunswick Corporation’s stockholders. |
| Grant Date | [_______ __, 2017] |
| Performance Shares | Shares of Brunswick Corporation (“Brunswick”) common stock (“Common Stock”) where the number of shares of Common Stock delivered is based on attainment of Performance Criteria set forth herein. Shares of Common Stock subject to this Grant shall be referred to herein as “Performance Shares.” |
| Target Award | [_______] Performance Shares is the target against which Performance Criteria shall apply. |
| Performance Period | For purposes of these Terms and Conditions, “Performance Period” shall mean the three-year performance period commencing January 1, 2017 and ending December 31, 2019. |
| Performance Criteria | ☒CFROI: 75% of the Performance Shares shall be earned based on the three-year average of Brunswick’s annual CFROI, as defined in Appendix A attached hereto, with payout between 0% and 200% of such percentage of the target number of Performance Shares, based solely on CFROI performance over the Performance Period, as set forth in Appendix A attached hereto.<br>☒Operating Margin: 25% of the Performance Shares shall be earned based on the three-year average of Brunswick’s annual Operating Margin, as defined in Appendix A attached hereto, with payout between 0% and 200% of such percentage of the target number of Performance Shares, based solely on Operating Margin performance over the Performance Period, as set forth in Appendix A attached hereto.<br>☒TSR Modifier: Performance Shares calculated based on CFROI and Operating Margin performance (the “CFROI/OM Earned Award”) shall be subject to a +/- 20% modifier for Brunswick’s TSR Performance against TSR Comparator Group.<br>☒If Brunswick’s TSR Performance is equal to or below the 25th percentile of the TSR Performance of the TSR Comparator Group over the Performance Period, then the CFROI/OM Earned Award shall be reduced by 20%.<br>☒If Brunswick’s TSR Performance is equal to or greater than the 75th percentile of the TSR Performance of the TSR Comparator Group over the Performance Period, then the CFROI/OM Earned Award shall be increased by 20%; provided that in no event shall the number of Performance Shares that become payable exceed 200% of the target number of Performance Shares.<br>☒The CFROI/OM Earned Award shall not be modified for Brunswick’s TSR Performance between the 25th and 75th percentile of the TSR Performance of the TSR Comparator Group over the Performance Period.<br>☒See Appendix A attached hereto for the definitions of “TSR Performance” and “TSR Comparator Group.”<br>☒Notwithstanding the level of performance achieved, the number of shares of Common Stock delivered pursuant to the “Timing of Distribution” discussed below shall not exceed the number of shares having a Fair Market Value, as of the date of distribution, equal to 400% of the target dollar value of the award as of the grant date, as set forth in the award notice given to the Grantee in connection with the award. |

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| Termination of Employment Prior to a Change in Control | ☒Forfeiture of Performance Shares in the event employment terminates prior to the end of the Performance Period and prior to a Change in Control (as defined in the Plan), except if the Grantee terminates due to death or Permanent Disability (as defined below) or the Grantee’s age and years of continuous service from latest hire date equals 70 or more or age is 62 or more (“Rule of 70/Age 62”).<br><br>☒In the case of a termination of employment (other than for Cause (as defined below)) on or after the first anniversary of the beginning of the Performance Period and prior to a Change in Control (i) due to death or Permanent Disability or (ii) on or after the date on which the Rule of 70/Age 62 has been attained, the Grantee or his or her estate or personal representative shall receive the award, calculated as if the Grantee had remained employed throughout the entire Performance Period and based on actual CFROI, Operating Margin and TSR Performance. The Performance Shares shall be distributed to the Grantee in accordance with the terms of this award under “Timing of Distribution.”<br><br>☒In the case of a termination of employment (other than for Cause) prior to the first anniversary of the beginning of the Performance Period and prior to a Change in Control (i) due to death or Permanent Disability or (ii) on or after the date on which the Rule of 70/Age 62 has been attained, a pro-rata portion of the award will be distributed to the Grantee or his or her estate or personal representative in accordance with the terms of this award under “Timing of Distribution.” For purposes of the foregoing sentence, a “pro-rata portion” will mean the product of (x) the number of Performance Shares that would otherwise be paid out at the end of the Performance Period based on actual CFROI, Operating Margin and TSR Performance and (y) a fraction, the numerator of which is the number of days that have elapsed since the beginning of the Performance Period through the date of termination of the Grantee’s employment, and the denominator of which is 365. All remaining Performance Shares shall be forfeited.<br><br>☒The Performance Shares shall be forfeited in their entirety upon any termination for Cause, including any termination for Cause of an employee who has attained the Rule of 70/Age 62.<br><br>☒Notwithstanding anything to the contrary in these terms and conditions, the favorable vesting terms described for those who have attained the Rule of 70/Age 62 shall not apply to grants made to residents of the European Union. |

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| Change in Control | ☒In the event of a Change in Control prior to the end of the Performance Period, the Performance Criteria shall be deemed to be achieved at target (and the remainder of the award shall be forfeited) and:<br><br>☒If the award is effectively assumed or continued by the surviving or acquiring corporation and the Grantee remains continuously employed through the last day of the Performance Period, then the Performance Shares shall be distributed to Grantee in accordance with the terms of the award under "Timing of Distribution," provided that:<br><br>☒In the event of Grantee's termination of employment (other than for Cause) (i) due to death or Permanent Disability, (ii) on or after the date on which the Rule of 70/Age 62 is attained, or (iii) by Brunswick without Cause or by the Grantee for Good Reason (as defined below), the vested portion of the award shall be distributed to the Grantee or his or her estate or personal representative within thirty (30) days following Grantee's death or termination of employment (or, in the case of termination due to death, Permanent Disability or on account of Rule of 70/Age 62 that had occurred prior to the Change in Control, within 30 days following the Change in Control to the extent permitted by Internal Revenue Code Section 409A); provided, however, that if the award is considered "nonqualified deferred compensation" and (x) the Change in Control was not a "change in control event" within the meaning of Internal Revenue Code Section 409A or (y) the termination of employment occurred more than two years following the occurrence of such "change in control event," then the vested portion of the award shall be distributed to Grantee in accordance with the terms of this award under "Timing of Distribution."<br><br>☒If the award is not effectively assumed or continued by the surviving or acquiring corporation, then the vested portion of the award shall be distributed within thirty (30) days of such Change in Control; provided, however, if the award is considered "nonqualified deferred compensation" within the meaning of Internal Revenue Code Section 409A with respect to the Grantee and the Change in Control was not a "change in control event" within the meaning of Internal Revenue Code Section 409A or to the extent distribution would be impermissible under Internal Revenue Code Section 409A, then the vested portion of the award shall be distributed to Grantee in accordance with the terms of this award under "Timing of Distribution."<br><br>☒Determinations as to whether the award has been effectively assumed or continued by the surviving or acquiring corporation shall be made by the Human Resources and Compensation Committee, as constituted prior to the Change in Control.<br><br>☒The Performance Shares shall be forfeited in their entirety upon any termination for Cause, including any termination for Cause of an employee who has attained the Rule of 70/Age 62.<br><br>☒Notwithstanding anything to the contrary in these terms and conditions, the favorable vesting terms described for those who have attained the Rule of 70/Age 62 shall not apply to grants made to residents of the European Union. |
| Timing of Distribution | Except as otherwise provided for herein, shares of Common Stock shall be delivered to the Grantee in settlement of the award within 60 days after the end of the Performance Period, subject to certification in writing of Brunswick's attainment of the Performance Criteria.<br><br>If you are a "specified employee" (as such term is defined under Internal Revenue Code Section 409A) as of the date of your "separation from service" (as such term is defined under Internal Revenue Code Section 409A), then to the extent any amount to be distributed in connection with the settlement of the award is payable upon the Grantee's "separation from service" and constitutes the payment of nonqualified deferred compensation, within the meaning of Internal Revenue Code Section 409A, the distribution will not be made before 6 months after separation from service (or, if earlier, death).<br><br>In all cases, fractional shares shall be rounded down to the nearest whole share. |

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| Tax Withholding | Tax withholding liability (to meet required FICA, Federal, state, and local withholding) must be paid via share reduction upon distribution. |
| Form of Distribution | Shares will be deposited to your brokerage account on record with Shareholder Services. |
| Additional Terms and Conditions | Grants are subject to the terms of the Plan. To the extent any provision herein conflicts with the Plan, the Plan shall govern. The Human Resources and Compensation Committee of the Board administers the Plan. The Committee may interpret the Plan and adopt, amend and rescind administrative guidelines and other rules as deemed appropriate. Committee determinations are binding.<br><br>"Permanent Disability" means the inability, by reason of a medically determinable physical or mental impairment, to engage in any substantial gainful activity, which condition, in the opinion of a physician selected by the Committee, is expected to have a duration of not less than 120 days.<br><br>"Good Reason" shall have the meaning set forth in the employment agreement, if any, between the Grantee and Brunswick as in effect on the Grant Date, provided that if the Grantee is not a party to an employment agreement that contains such definition, then Good Reason means the occurrence of any of the following events without the Grantee's express written consent: (a) a material breach by Brunswick of any provision of this agreement; (b) Brunswick's failure to pay any portion of Grantee's compensation when due or to include Grantee in any bonus or incentive plan that applies to similarly situated employees of Brunswick; (c) Brunswick's failure to provide, or continue to provide, Grantee with either the perquisites or employee health and welfare benefits (including, without limitation, life insurance, medical, dental, vision, long-term disability and similar benefits), generally provided to similarly situated employees of Brunswick; (d) a Reduction in Authority or Responsibility of the Grantee (as defined below); (e) a Reduction in Compensation (as defined below); or (f) a Business Relocation Beyond a Reasonable Commuting Distance (as defined below; provided, however, that the occurrence of any such condition shall not constitute Good Reason unless (x) the Grantee provides written notice to Brunswick of the existence of such condition not later than 60 days after the Grantee knows or reasonably should know of the existence of such condition, (y) Brunswick fails to remedy such condition within 30 days after receipt of such notice and (z) Grantee resigns due to the existence of such condition within 60 days after the expiration of the remedial period described in clause (y) hereof. |

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| Additional Terms and Conditions | Whether a Reduction in Authority or Responsibility of the Grantee has occurred shall be determined in accordance with the criteria set forth below in the definition of Reduction in Authority or Responsibility; provided, however, that (A) a change in the Grantee's reporting relationship to another employee who is within the same reporting level (as that term is used in Brunswick's Delegation of Authority Policy or any successor policy); or (B) a reduction in the Grantee's business unit's budget or a reduction in the Grantee's business unit's head count or number of direct reports, by themselves, shall not constitute Good Reason.<br><br>"Reduction in Authority or Responsibility" shall mean the assignment to the Grantee of any duties that are materially inconsistent in any respect with the Grantee's position (which may include status, offices, titles, and reporting requirements), authority, duties, or responsibilities as in effect immediately prior to such assignment. It is intended by this definition that a Change in Control by itself, absent a Reduction in Authority or Responsibility as described above, will not constitute Good Reason.<br><br>"Reduction in Compensation" shall mean (i) a reduction in the Grantee's total annual compensation (defined as the sum of the Grantee's base salary and target annual bonus) for any calendar or fiscal year, as applicable, to an amount that is less than the Grantee's total annual compensation in effect immediately prior to such reduction, (ii) the elimination of any Brunswick incentive compensation plan in which Grantee is a participant without the adoption of a substantially comparable replacement plan, or (iii) the failure to provide the Grantee with equity compensation opportunities or long-term cash incentive compensation opportunities that have a value that is substantially comparable to the value of the equity compensation opportunities provided to the Grantee immediately prior to the Change in Control.<br><br>"Business Relocation Beyond a Reasonable Commuting Distance" shall mean that, as a result of either a relocation of Brunswick or a reassignment of the Grantee, a change occurs in the Grantee's principal work location to a location that (i) is more than fifty (50) highway miles from the Grantee's principal work location immediately prior to the relocation, and (ii) increases the Grantee's commuting distance in highway mileage.<br><br>"Cause" shall mean willful misconduct in the performance of duties. |
| Additional Terms and Conditions | This award and any shares delivered pursuant to this award are subject to forfeiture, recovery by Brunswick or other action pursuant to any clawback or recoupment policy which Brunswick may adopt from time to time, including without limitation any such policy which Brunswick may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.<br><br>The Plan may be amended, suspended or terminated at any time. The Plan will be governed by the laws of the State of Illinois, without regard to the conflict of law provisions of any jurisdiction. |

**2017 Performance Share Grant**
**Appendix A - Performance Criteria**

<table>
<tr><td rowspan="4">Annual Cash Flow Return on Investment (CFROI): Applicable to 75% of Performance Shares<br><br>CFROI defined as Adjusted Free Cash Flow divided by Operating Capital Employed.<br><br>Adjusted Free Cash Flow is defined as Free Cash Flow consistent with the external reporting definition excluding the impact of cash pension contributions and cash tax payments or refunds.<br><br>Operating Capital Employed defined as total assets less current liabilities excluding cash, debt and tax balances. Operating Capital Employed will be calculated on a two point basis.<br><br>Adjusted Free Cash Flow and Operating Capital Employed will be adjusted for the following variances from plan:<br>☒Acquisition/sale of “strategic” assets (e.g., transformational or material acquisitions) not contemplated in the plan;<br>☒Restructuring, integration, and exit activities;<br>☒Impact of unplanned financing arrangements (including debt issuance, off-balance sheet and factoring);<br>☒Pension liability settlement or plan amendment changes;<br>☒Impact of change in accounting standards; and<br>☒Executive deferred compensation payouts not included in plan.<br><br>Performance results may be adjusted, as appropriate, to exclude any effect of a change in tax law or rates, including any actions taken to re-time cash payments.</td><td></td><td>Payout as a % of Target [1]</td><td><u>2017 - 2019 Average</u></td></tr>
<tr><td>Threshold</td><td>0%</td><td>X.0%</td></tr>
<tr><td>Target</td><td>100%</td><td>Y.0%</td></tr>
<tr><td>Maximum</td><td>200%</td><td>Z.0%</td></tr>
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| **Annual Operating Margin: Applicable to 25% of Performance Shares** | | **Payout as a % of Target [(1)]** | **2017 - 2019 Average** |
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| Operating Margin defined as Operating Earnings (ex. items) divided by Sales.<br><br>Operating Earnings and Sales are consistent with reporting definitions.<br><br>Operating Earnings (on an ex. items basis) and Sales will be adjusted for the following variances from plan**:**<br>☒Acquisition/sale of "strategic" assets (e.g., transformational or material acquisitions) not contemplated in the plan;<br>☒Restructuring, exit, integration and impairment activities;<br>☒Impact of any "unusual in nature" or "infrequently occurring" charges or impacts related to changes in accounting principles;<br>☒Impact of unplanned financing arrangements (including debt issuance, off-balance sheet and factoring); and<br>☒Pension liability settlement or plan amendment related charges.<br><br>Performance results may be adjusted, as appropriate, to exclude any effect of a change in tax law. | Threshold | 0% | X.0% |
| | Target | 100% | Y.0% |
| | Maximum | 200% | Z.0% |

(1) If performance is between the threshold and maximum levels set forth above, then the payout as a percentage of target shall be interpolated appropriately. No payout below threshold.

The following definitions shall apply for purpose of applying the TSR modifier:

"Average Stock Price" means the average of the closing transaction prices of a share of common stock of a company, as reported on the principal national stock exchange on which such common stock is traded, for the 20 business days immediately preceding the date for which the Average Stock Price is being determined.

"TSR Comparator Group" means the "Leisure Products" sub-industry group within the Global Industry Classification Standard Consumer Durables and Apparel Global Industry Group. For purposes of determining TSR Performance with respect to the Performance Period, the companies included in the Leisure Products sub-industry group shall be determined at the beginning of the Performance Period, excluding those entities that are bankrupt, listed on the pink sheets or not listed at all. Should a company within the TSR Comparator Group become bankrupt after the start of the Performance Period, they shall be assigned a TSR of -100%. Companies emerging from bankruptcy shall not be tracked for purposes of the current Performance Period. If two companies within the TSR Comparator Group merge, only the surviving entity shall be counted. Should a company within the TSR Comparator Group merge with a company outside of the TSR Comparator Group, then that entity shall be excluded from the final calculation.

"TSR Performance" means a company's cumulative total shareholder return as measured by dividing (A) the sum of (i) the cumulative amount of dividends for the Performance Period, assuming dividend reinvestment, and (ii) the increase or decrease in the Average Stock Price from the first day of the Performance Period to the last day of the Performance Period, by (B) the Average Stock Price determined as of the first day of the Performance Period.

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Nothing contained in these Terms and Conditions or the Plan constitutes or is intended to create a contract of continued employment. Employment is at-will and may be terminated by either the employee or Brunswick (including affiliates) for any reason at any time.

For questions and or a copy of the Prospectus, please contact:

*Lesley Harling*
*Shareholder Services*
*Brunswick Corporation*
*1 N. Field Court*
*Lake Forest, Illinois 60045-4811*
*847-735-4294*
*lesley.harling@brunswick.com*

**2017 Performance Share Grant Terms and Conditions For Select Key Employees**
**Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan (the "Plan")**

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| Purpose | To provide incentives to (i) support the execution of Brunswick Corporation's business strategies and (ii) more closely align the interests of the award recipient with those of Brunswick Corporation's stockholders. |
| Grant Date | [_______ __, 2017] |
| Performance Shares | Shares of Brunswick Corporation ("Brunswick") common stock ("Common Stock") where the number of shares of Common Stock delivered is based on attainment of Performance Criteria set forth herein. Shares of Common Stock subject to this Grant shall be referred to herein as "Performance Shares." |
| Target Award | [_______] Performance Shares is the target against which Performance Criteria shall apply. |
| Performance Period | For purposes of these Terms and Conditions, "Performance Period" shall mean the three-year performance period commencing January 1, 2017 and ending December 31, 2019. |
| Performance Criteria | ☒CFROI: 75% of the Performance Shares shall be earned based on the three-year average of Brunswick's annual CFROI, as defined in Appendix A attached hereto, with payout between 0% and 200% of such percentage of the target number of Performance Shares, based solely on CFROI performance over the Performance Period, as set forth in Appendix A attached hereto.<br>☒Operating Margin: 25% of the Performance Shares shall be earned based on the three-year average of Brunswick's annual Operating Margin, as defined in Appendix A attached hereto, with payout between 0% and 200% of such percentage of the target number of Performance Shares, based solely on Operating Margin performance over the Performance Period, as set forth in Appendix A attached hereto. |

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| Termination of Employment Prior to a Change in Control | ☒Forfeiture of Performance Shares in the event employment terminates prior to the end of the Performance Period and prior to a Change in Control (as defined in the Plan), except if the Grantee terminates due to death or Permanent Disability (as defined below) or the Grantee's age and years of continuous service from latest hire date equals 70 or more or age is 62 or more ("Rule of 70/Age 62").<br><br>☒In the case of a termination of employment (other than for Cause (as defined below)) on or after the first anniversary of the beginning of the Performance Period and prior to a Change in Control (i) due to death or Permanent Disability or (ii) on or after the date on which the Rule of 70/Age 62 has been attained, the Grantee or his or her estate or personal representative shall receive the award, calculated as if the Grantee had remained employed throughout the entire Performance Period and based on actual CFROI and Operating Margin performance. The Performance Shares shall be distributed to the Grantee in accordance with the terms of this award under "Timing of Distribution."<br><br>☒In the case of a termination of employment (other than for Cause) prior to the first anniversary of the beginning of the Performance Period and prior to a Change in Control (i) due to death or Permanent Disability or (ii) on or after the date on which the Rule of 70/Age 62 has been attained, a pro-rata portion of the award will be distributed to the Grantee or his or her estate or personal representative in accordance with the terms of this award under "Timing of Distribution." For purposes of the foregoing sentence, a "pro-rata portion" will mean the product of (x) the number of Performance Shares that would otherwise be paid out at the end of the Performance Period based on actual CFROI and Operating Margin performance and (y) a fraction, the numerator of which is the number of days that have elapsed since the beginning of the Performance Period through the date of termination of the Grantee's employment, and the denominator of which is 365. All remaining Performance Shares shall be forfeited.<br><br>☒The Performance Shares shall be forfeited in their entirety upon any termination for Cause, including any termination for Cause of an employee who has attained the Rule of 70/Age 62.<br><br>☒Notwithstanding anything to the contrary in these terms and conditions, the favorable vesting terms described for those who have attained the Rule of 70/Age 62 shall not apply to grants made to residents of the European Union. |

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| Change in Control | In the event of a Change in Control prior to the end of the Performance Period, the Performance Criteria shall be deemed to be achieved at target (and the remainder of the award shall be forfeited) and:<br><br>If the award is effectively assumed or continued by the surviving or acquiring corporation and the Grantee remains continuously employed through the last day of the Performance Period, then the Performance Shares shall be distributed to Grantee in accordance with the terms of the award under "Timing of Distribution," provided that:<br><br>In the event of Grantee's termination of employment (other than for Cause) (i) due to death or Permanent Disability, (ii) on or after the date on which the Rule of 70/Age 62 is attained, or (iii) by Brunswick without Cause or by the Grantee for Good Reason (as defined below), the vested portion of the award shall be distributed to the Grantee or his or her estate or personal representative within thirty (30) days following Grantee's death or termination of employment (or, in the case of termination due to death, Permanent Disability or on account of Rule of 70/Age 62 that had occurred prior to the Change in Control, within 30 days following the Change in Control to the extent permitted by Internal Revenue Code Section 409A); provided, however, that if the award is considered "nonqualified deferred compensation" and (x) the Change in Control was not a "change in control event" within the meaning of Internal Revenue Code Section 409A or (y) the termination of employment occurred more than two years following the occurrence of such "change in control event," then the vested portion of the award shall be distributed to Grantee in accordance with the terms of this award under "Timing of Distribution."<br><br>If the award is not effectively assumed or continued by the surviving or acquiring corporation, then the vested portion of the award shall be distributed within thirty (30) days of such Change in Control; provided, however, if the award is considered "nonqualified deferred compensation" within the meaning of Internal Revenue Code Section 409A with respect to the Grantee and the Change in Control was not a "change in control event" within the meaning of Internal Revenue Code Section 409A or to the extent distribution would be impermissible under Internal Revenue Code Section 409A, then the vested portion of the award shall be distributed to Grantee in accordance with the terms of this award under "Timing of Distribution."<br><br>Determinations as to whether the award has been effectively assumed or continued by the surviving or acquiring corporation shall be made by the Human Resources and Compensation Committee, as constituted prior to the Change in Control.<br><br>The Performance Shares shall be forfeited in their entirety upon any termination for Cause, including any termination for Cause of an employee who has attained the Rule of 70/Age 62.<br><br>Notwithstanding anything to the contrary in these terms and conditions, the favorable vesting terms described for those who have attained the Rule of 70/Age 62 shall not apply to grants made to residents of the European Union. |
| Timing of Distribution | Except as otherwise provided for herein, shares of Common Stock shall be delivered to the Grantee in settlement of the award within 60 days after the end of the Performance Period, subject to certification in writing of Brunswick's attainment of the Performance Criteria.<br><br>If you are a "specified employee" (as such term is defined under Internal Revenue Code Section 409A) as of the date of your "separation from service" (as such term is defined under Internal Revenue Code Section 409A), then to the extent any amount to be distributed in connection with the settlement of the award is payable upon the Grantee's "separation from service" and constitutes the payment of nonqualified deferred compensation, within the meaning of Internal Revenue Code Section 409A, the distribution will not be made before 6 months after separation from service (or, if earlier, death).<br><br>In all cases, fractional shares shall be rounded down to the nearest whole share. |

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| Tax Withholding | Tax withholding liability (to meet required FICA, Federal, state, and local withholding) must be paid via share reduction upon distribution. |
| Form of Distribution | Shares will be deposited to your brokerage account on record with Shareholder Services. |
| Additional Terms and Conditions | Grants are subject to the terms of the Plan. To the extent any provision herein conflicts with the Plan, the Plan shall govern. The Human Resources and Compensation Committee of the Board administers the Plan. The Committee may interpret the Plan and adopt, amend and rescind administrative guidelines and other rules as deemed appropriate. Committee determinations are binding.<br><br>"Permanent Disability" means the inability, by reason of a medically determinable physical or mental impairment, to engage in any substantial gainful activity, which condition, in the opinion of a physician selected by the Committee, is expected to have a duration of not less than 120 days.<br><br>"Good Reason" shall have the meaning set forth in the employment agreement, if any, between the Grantee and Brunswick as in effect on the Grant Date, provided that if the Grantee is not a party to an employment agreement that contains such definition, then Good Reason means the occurrence of any of the following events without the Grantee's express written consent: (a) a material breach by Brunswick of any provision of this agreement; (b) Brunswick's failure to pay any portion of Grantee's compensation when due or to include Grantee in any bonus or incentive plan that applies to similarly situated employees of Brunswick; (c) Brunswick's failure to provide, or continue to provide, Grantee with either the perquisites or employee health and welfare benefits (including, without limitation, life insurance, medical, dental, vision, long-term disability and similar benefits), generally provided to similarly situated employees of Brunswick; (d) a Reduction in Authority or Responsibility of the Grantee (as defined below); (e) a Reduction in Compensation (as defined below); or (f) a Business Relocation Beyond a Reasonable Commuting Distance (as defined below; provided, however, that the occurrence of any such condition shall not constitute Good Reason unless (x) the Grantee provides written notice to Brunswick of the existence of such condition not later than 60 days after the Grantee knows or reasonably should know of the existence of such condition, (y) Brunswick fails to remedy such condition within 30 days after receipt of such notice and (z) Grantee resigns due to the existence of such condition within 60 days after the expiration of the remedial period described in clause (y) hereof. |

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| Additional Terms and Conditions | Whether a Reduction in Authority or Responsibility of the Grantee has occurred shall be determined in accordance with the criteria set forth below in the definition of Reduction in Authority or Responsibility; provided, however, that (A) a change in the Grantee’s reporting relationship to another employee who is within the same reporting level (as that term is used in Brunswick’s Delegation of Authority Policy or any successor policy); or (B) a reduction in the Grantee’s business unit’s budget or a reduction in the Grantee’s business unit’s head count or number of direct reports, by themselves, shall not constitute Good Reason.<br><br>“Reduction in Authority or Responsibility” shall mean the assignment to the Grantee of any duties that are materially inconsistent in any respect with the Grantee’s position (which may include status, offices, titles, and reporting requirements), authority, duties, or responsibilities as in effect immediately prior to such assignment. It is intended by this definition that a Change in Control by itself, absent a Reduction in Authority or Responsibility as described above, will not constitute Good Reason.<br><br>“Reduction in Compensation” shall mean (i) a reduction in the Grantee’s total annual compensation (defined as the sum of the Grantee’s base salary and target annual bonus) for any calendar or fiscal year, as applicable, to an amount that is less than the Grantee’s total annual compensation in effect immediately prior to such reduction, (ii) the elimination of any Brunswick incentive compensation plan in which Grantee is a participant without the adoption of a substantially comparable replacement plan, or (iii) the failure to provide the Grantee with equity compensation opportunities or long-term cash incentive compensation opportunities that have a value that is substantially comparable to the value of the equity compensation opportunities provided to the Grantee immediately prior to the Change in Control.<br><br>“Business Relocation Beyond a Reasonable Commuting Distance” shall mean that, as a result of either a relocation of Brunswick or a reassignment of the Grantee, a change occurs in the Grantee’s principal work location to a location that (i) is more than fifty (50) highway miles from the Grantee’s principal work location immediately prior to the relocation, and (ii) increases the Grantee’s commuting distance in highway mileage.<br><br>“Cause” shall mean willful misconduct in the performance of duties. |
| Additional Terms and Conditions | This award and any shares delivered pursuant to this award are subject to forfeiture, recovery by Brunswick or other action pursuant to any clawback or recoupment policy which Brunswick may adopt from time to time, including without limitation any such policy which Brunswick may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.<br><br>The Plan may be amended, suspended or terminated at any time. The Plan will be governed by the laws of the State of Illinois, without regard to the conflict of law provisions of any jurisdiction. |

**2017 Performance Share Grant**
**Appendix A - Performance Criteria**

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<tr><td>Threshold</td><td>0%</td><td>X.0%</td></tr>
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<tr><td rowspan="4">Annual Operating Margin: Applicable to 25% of Performance Shares<br><br>Operating Margin defined as Operating Earnings (ex. items) divided by Sales.<br><br>Operating Earnings and Sales are consistent with reporting definitions.<br><br>Operating Earnings (on an ex. items basis) and Sales will be adjusted for the following variances from plan:<br>☒Acquisition/sale of “strategic” assets (e.g., transformational or material acquisitions) not contemplated in the plan;<br>☒Restructuring, exit, integration and impairment activities;<br>☒Impact of any “unusual in nature” or “infrequently occurring” charges or impacts related to changes in accounting principles;<br>☒Impact of unplanned financing arrangements (including debt issuance, off-balance sheet and factoring); and<br>☒Pension liability settlement or plan amendment related charges.<br><br>Performance results may be adjusted, as appropriate, to exclude any effect of a change in tax law.</td><td></td><td>Payout as a % of Target [1]</td><td><u>2017 - 2019 Average</u></td></tr>
<tr><td>Threshold</td><td>0%</td><td>X.0%</td></tr>
<tr><td>Target</td><td>100%</td><td>Y.0%</td></tr>
<tr><td>Maximum</td><td>200%</td><td>Z.0%</td></tr>
</table>

[1] If performance is between the threshold and maximum levels set forth above, then the payout as a percentage of target shall be interpolated appropriately. No payout below threshold.

* * * * *

Nothing contained in these Terms and Conditions or the Plan constitutes or is intended to create a contract of continued employment. Employment is at-will and may be terminated by either the employee or Brunswick (including affiliates) for any reason at any time.

For questions and or a copy of the Prospectus, please contact:

*Lesley Harling*
*Shareholder Services*
*Brunswick Corporation*
*1 N. Field Court*
*Lake Forest, Illinois 60045-4811*
*847-735-4294*
*lesley.harling@brunswick.com*

**Exhibit 31.1**

**Certification Pursuant to**
**Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Amended**

I, Mark D. Schwabero, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Brunswick Corporation;

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 we 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.

**BRUNSWICK CORPORATION**

May 4, 2017

By: /s/ MARK D. SCHWABERO
Mark D. Schwabero
Chairman and Chief Executive Officer

**Exhibit 31.2**

**Certification Pursuant to**
**Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Amended**

I, William L. Metzger, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Brunswick Corporation;

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 we 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.

**BRUNSWICK CORPORATION**

May 4, 2017

By: /s/ WILLIAM L. METZGER
William L. Metzger
Senior Vice President and Chief Financial Officer

**Exhibit 32.1**

**Certification Pursuant to Section 1350 of Chapter 63**
**of Title 18 of the United States Code**

I, Mark D. Schwabero, Chief Executive Officer of Brunswick Corporation, certify that: (i) Brunswick Corporation's Quarterly Report on Form 10-Q for the quarterly period ended April 1, 2017, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (ii) the information contained in Brunswick Corporation's Quarterly Report on Form 10-Q for the quarterly period ended April 1, 2017 fairly presents, in all material respects, the financial condition and results of operations of Brunswick Corporation.

**BRUNSWICK CORPORATION**

May 4, 2017

By: /s/ MARK D. SCHWABERO
Mark D. Schwabero
Chairman and Chief Executive Officer

**Exhibit 32.2**

**Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code**

I, William L. Metzger, Chief Financial Officer of Brunswick Corporation, certify that: (i) Brunswick Corporation's Quarterly Report on Form 10-Q for the quarterly period ended April 1, 2017, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (ii) the information contained in Brunswick Corporation's Quarterly Report on Form 10-Q for the quarterly period ended April 1, 2017 fairly presents, in all material respects, the financial condition and results of operations of Brunswick Corporation.

**BRUNSWICK CORPORATION**

May 4, 2017

By: /s/ WILLIAM L. METZGER
William L. Metzger
Senior Vice President and Chief Financial Officer