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 **March 30, 2019**

☐ 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.)***

26125 N. Riverwoods Blvd., Suite 500, Mettawa, Illinois 60045-3420

(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 every Interactive Data File required to be submitted 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 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	☐	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 ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol(s)**	**Name of Each Exchange on Which Registered**
Common stock, par value $0.75 per share	BC	*New York Stock Exchange*
6.500% Senior Notes due 2048	BC-A	
6.625% Senior Notes due 2049	BC-B	
6.375% Senior Notes due 2049	BC-C	

The number of shares of Common Stock ($0.75 par value) of the registrant outstanding as of April 29, 2019 was87,076,644.

BRUNSWICK CORPORATION
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March 30, 2019

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Item 1. Condensed Consolidated Financial Statements

BRUNSWICK CORPORATION
Condensed Consolidated Statements of Comprehensive Income
(unaudited)

(in millions, except per share data)	Three Months Ended March 30, 2019	Three Months Ended March 31, 2018
Net sales	**$ 1,275.9**	$ 1,211.4
Cost of sales	**938.4**	901.4
Selling, general and administrative expense	**189.6**	163.5
Research and development expense	**35.0**	37.6
Restructuring, exit, integration and impairment charges	**141.5**	3.8
Operating earnings (loss)	**(28.6)**	105.1
Equity earnings	**1.9**	1.0
Other expense, net	**(1.6)**	(0.0)
Earnings (loss) before interest and income taxes	**(28.3)**	106.1
Interest expense	**(19.8)**	(6.7)
Interest income	**0.4**	0.7
Earnings (loss) before income taxes	**(47.7)**	100.1
Income tax provision (benefit)	**(11.4)**	27.2
Net earnings (loss)	**$ (36.3)**	$ 72.9
Earnings (loss) per common share:		
Basic	**$ (0.42)**	$ 0.83
Diluted	**$ (0.42)**	$ 0.82
Weighted average shares used for computation of:		
Basic earnings (loss) per common share	**87.5**	88.1
Diluted earnings (loss) per common share	**87.5**	88.8
Comprehensive income (loss)	**$ (35.3)**	$ 83.9

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

BRUNSWICK CORPORATION
Condensed Consolidated Balance Sheets
(unaudited)

(in millions)	March 30, 2019	December 31, 2018	March 31, 2018
Assets			
Current assets			
Cash and cash equivalents, at cost, which approximates fair value	**$ 161.5**	$ 294.4	$ 284.0
Restricted cash	**9.1**	9.0	9.4
Short-term investments in marketable securities	**0.8**	0.8	0.8
Total cash and short-term investments in marketable securities	**171.4**	304.2	294.2
Accounts and notes receivable, less allowances of $10.0, $11.3 and $9.4	**683.7**	550.7	623.6
Inventories			
Finished goods	**650.2**	614.2	562.0
Work-in-process	**112.1**	106.1	133.1
Raw materials	**228.8**	223.4	208.0
Net inventories	**991.1**	943.7	903.1
Prepaid expenses and other	**91.6**	81.6	41.8
Current assets	**1,937.8**	1,880.2	1,862.7
Property			
Land	**24.0**	24.0	25.2
Buildings and improvements	**477.6**	469.7	420.1
Equipment	**1,145.5**	1,128.9	1,038.6
Total land, buildings and improvements and equipment	**1,647.1**	1,622.6	1,483.9
Accumulated depreciation	**(967.7)**	(952.4)	(910.6)
Net land, buildings and improvements and equipment	**679.4**	670.2	573.3
Unamortized product tooling costs	**131.8**	135.1	149.4
Net property	**811.2**	805.3	722.7
Other assets			
Goodwill	**634.1**	767.1	428.3
Other intangibles, net	**636.7**	646.4	148.0
Operating lease assets	**99.2**	—	—
Deferred income tax asset	**109.4**	96.1	171.0
Equity investments	**38.5**	34.6	29.5
Other long-term assets	**62.9**	56.0	42.4
Other assets	**1,580.8**	1,600.2	819.2
Total assets	**$ 4,329.8**	$ 4,285.7	$ 3,404.6

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

BRUNSWICK CORPORATION
Condensed Consolidated Balance Sheets
(unaudited)

(in millions)	March 30, 2019	December 31, 2018	March 31, 2018
Liabilities and shareholders' equity			
Current liabilities			
Short-term debt and current maturities of long-term debt	**$ 40.9**	$ 41.3	$ 5.1
Accounts payable	**473.3**	527.8	431.0
Accrued expenses	**691.5**	687.4	640.3
Current liabilities	**1,205.7**	1,256.5	1,076.4
Long-term liabilities			
Debt	**1,245.6**	1,179.5	428.9
Operating lease liabilities	**83.8**	—	—
Postretirement benefits	**70.0**	71.6	218.9
Other	**197.8**	195.5	199.6
Long-term liabilities	**1,597.2**	1,446.6	847.4
Shareholders' equity			
Common stock; authorized: 200,000,000 shares, $0.75 par value; issued: 102,538,000 shares; outstanding: 87,063,000, 86,757,000 and 87,277,000 shares	**76.9**	76.9	76.9
Additional paid-in capital	**359.9**	371.1	357.4
Retained earnings	**2,081.1**	2,135.7	1,994.4
Treasury stock, at cost: 15,475,000, 15,781,000 and 15,261,000 shares	**(628.9)**	(638.0)	(599.1)
Accumulated other comprehensive loss	**(362.1)**	(363.1)	(348.8)
Shareholders' equity	**1,526.9**	1,582.6	1,480.8
Total liabilities and shareholders' equity	**$ 4,329.8**	$ 4,285.7	$ 3,404.6

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 March 30, 2019	Three Months Ended March 31, 2018
Cash flows from operating activities		
Net earnings (loss)	**$ (36.3)**	$ 72.9
Depreciation and amortization	**39.8**	27.8
Stock compensation expense	**3.3**	1.9
Pension expense, net of funding	**0.3**	0.9
Asset impairment charges	**138.7**	—
Deferred income taxes	**(3.4)**	20.0
Changes in certain current assets and current liabilities	**(211.2)**	(224.2)
Long-term extended warranty contracts and other deferred revenue	**1.2**	2.6
Fitness business separation costs	**7.8**	—
Cash paid for Fitness business separation costs	**(1.5)**	—
Income taxes	**(16.2)**	32.5
Other, net	**(1.9)**	(1.5)
Net cash used for operating activities	**(79.4)**	(67.1)
Cash flows from investing activities		
Capital expenditures	**(88.1)**	(37.1)
Investments	**(3.8)**	(4.8)
Proceeds from the sale of property, plant and equipment	**—**	0.1
Other, net	**—**	(0.2)
Net cash used for investing activities	**(91.9)**	(42.0)
Cash flows from financing activities		
Proceeds from issuances of short-term debt	**215.0**	—
Payments of short-term debt	**(215.0)**	—
Net proceeds from issuances of long-term debt	**222.0**	—
Payments of long-term debt including current maturities	**(159.0)**	(0.1)
Common stock repurchases	**—**	(35.0)
Cash dividends paid	**(18.3)**	(16.6)
Proceeds from share-based compensation activity	**0.5**	1.0
Tax withholding associated with shares issued for share-based compensation	**(6.8)**	(9.3)
Other, net	**(0.2)**	—
Net cash provided by (used for) financing activities	**38.2**	(60.0)
Effect of exchange rate changes	**0.3**	4.3
Net decrease in Cash and cash equivalents and Restricted cash	**(132.8)**	(164.8)
Cash and cash equivalents and Restricted cash at beginning of period	**303.4**	458.2
Cash and cash equivalents and Restricted cash at end of period	**170.6**	293.4
Less: Restricted cash	**9.1**	9.4
Cash and cash equivalents at end of period	**$ 161.5**	$ 284.0

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

Brunswick Corporation
Condensed Consolidated Statements of Shareholders' Equity
(unaudited)

(in millions, except per share data)	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2018	$ 76.9	$ 371.1	$ 2,135.7	$ (638.0)	$ (363.1)	**$ 1,582.6**
Net loss	—	—	(36.3)	—	—	**(36.3)**
Other comprehensive income	—	—	—	—	1.0	**1.0**
Dividends ($0.21 per common share)	—	—	(18.3)	—	—	**(18.3)**
Compensation plans and other	—	(11.2)	—	9.1	—	**(2.1)**
Balance at March 30, 2019	$ 76.9	$ 359.9	$ 2,081.1	$ (628.9)	$ (362.1)	**$ 1,526.9**

(in millions, except per share data)	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2017	$ 76.9	$ 374.4	$ 1,966.8	$ (575.4)	$ (359.8)	**$ 1,482.9**
Net earnings	—	—	72.9	—	—	**72.9**
Other comprehensive income	—	—	—	—	11.0	**11.0**
Dividends ($0.19 per common share)	—	—	(16.6)	—	—	**(16.6)**
Compensation plans and other	—	(17.0)	—	11.3	—	**(5.7)**
Common stock repurchases	—	—	—	(35.0)	—	**(35.0)**
ASU No. 2014-09 adoption	—	—	(28.7)	—	—	**(28.7)**
Balance at March 31, 2018	$ 76.9	$ 357.4	$ 1,994.4	$ (599.1)	$ (348.8)	**$ 1,480.8**

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

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 2018 Annual Report on Form 10-K for the year ended December 31, 2018 (the 2018 Form 10-K). These results include, in management's opinion, all normal and recurring adjustments necessary to present fairly Brunswick's financial position, results of operations and cash flows. 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 2019 ended on March 30, 2019 and the first quarter of fiscal year 2018 ended on March 31, 2018.

On March 1, 2018, the Company's Board of Directors authorized proceeding with separating its Fitness business from the Company portfolio. While the Company continues to maintain its preparedness for a spin-off of the Fitness business, there has been a strong level of buyer interest in the sales process. Should the separation take the form of a sale, the Company anticipates a sale would be announced in the second quarter of 2019.

Recently Adopted Accounting Standards

Recognition of Leases: In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases,* (new leasing standard), which amended the Accounting Standards Codification (ASC) to require lessees to recognize assets and liabilities on the balance sheet for all leases with terms greater than twelve months. On January 1, 2019, the Company adopted the new leasing standard and all related amendments. The Company elected the optional transition method provided by the FASB in ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, and as a result, has not restated its condensed consolidated financial statements for prior periods presented. The Company has elected the practical expedients upon transition to retain the lease classification and initial direct costs for any leases that existed prior to adoption. The Company has also not reassessed whether any contracts entered into prior to adoption are leases.

The standard did not have a material impact on the Company's Condensed Consolidated Statements of Comprehensive Income. The cumulative effect of the changes made to the Company's Consolidated Balance Sheet as of January 1, 2019 for the adoption of the new leasing standard was as follows:

Notes to Condensed Consolidated Financial Statements
(unaudited)

(in millions)	Balance as of December 31, 2018	Adjustments Due to ASC 842	Balance as of January 1, 2019
Assets			
Operating lease assets	$ —	$ 101.2	**$ 101.2**
Current liabilities			
Accrued expenses	687.4	19.3	**706.7**
Long-term liabilities			
Other	195.5	(3.4)	**192.1**
Operating lease liabilities	—	85.3	**85.3**

The Company determines if an arrangement is a lease at lease inception. Operating lease right-of-use (ROU) assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the Company's lease contracts do not include an implicit rate, the Company uses its incremental borrowing rate based on information available at commencement date in determining the present value of future payments. The incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located. The operating lease ROU asset also includes any initial direct costs and lease payments made prior to lease commencement, and excludes lease incentives incurred.

The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Operating lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The Company has certain lease agreements that contain both lease and non-lease components, which it has elected to account for as a single lease component for all asset classes.

Measurement of Goodwill Impairment: In January 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment*. The standard simplifies the subsequent measurement of goodwill by eliminating step two from the goodwill impairment test. Instead, goodwill impairment is measured as the difference between the fair value and the carrying value of the reporting unit. The standard also clarifies the treatment of the income tax effect of tax-deductible goodwill when measuring goodwill impairment loss. The Company early adopted this amendment on January 1, 2019.

Tax Effects in Other Comprehensive Income: In February 2018, the FASB issued ASU 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income* (AOCI), which requires certain new disclosures and permits companies to reclassify the disproportionate income tax effects of the Tax Cuts and Jobs Act of 2017 on items within AOCI to retained earnings. The Company currently records its stranded tax effects in AOCI using the portfolio approach. Upon adoption, the Company elected not to reclassify stranded tax effects in AOCI to retained earnings and there was no impact on its consolidated financial statements.

Hedge Accounting: In August 2017, the FASB issued ASU 2017-12, *Targeted Improvements to Accounting for Hedging Activities,* to simplify the application of hedge accounting and to better align an entity's risk management activities with the financial reporting of hedging relationships. The Company adopted this ASC amendment and it did not have a material impact on its consolidated financial statements.

Note 2 – Revenue Recognition

The following table presents the Company's revenue into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors:

Notes to Condensed Consolidated Financial Statements
(unaudited)

	Three Months Ended March 30, 2019			
	Marine Engine	Boat	Fitness	Total
Geographic Markets				
United States	$ 524.2	$ 273.9	$ 115.1	**$ 913.2**
Europe	119.2	36.7	45.4	**201.3**
Asia-Pacific	56.1	5.4	35.7	**97.2**
Canada	31.3	50.0	6.4	**87.7**
Rest-of-World	35.2	7.3	22.6	**65.1**
Marine eliminations	(88.6)	—	—	**(88.6)**
Total	$ 677.4	$ 373.3	$ 225.2	**$ 1,275.9**
Major Product Lines				
Propulsion	$ 400.0	$ —	$ —	**$ 400.0**
Parts & Accessories	366.0	—	—	**366.0**
Aluminum Freshwater Boats	—	166.2	—	**166.2**
Recreational Fiberglass Boats	—	115.0	—	**115.0**
Saltwater Fishing Boats	—	90.2	—	**90.2**
Commercial Cardio Fitness Equipment	—	—	121.5	**121.5**
Commercial Strength Fitness Equipment	—	—	84.8	**84.8**
Consumer Fitness Equipment	—	—	18.9	**18.9**
Other	—	1.9	—	**1.9**
Marine eliminations	(88.6)	—	—	**(88.6)**
Total	$ 677.4	$ 373.3	$ 225.2	**$ 1,275.9**

Notes to Condensed Consolidated Financial Statements
(unaudited)

	Three Months Ended March 31, 2018			
	Marine Engine	Boat	Fitness	Total
Geographic Markets				
United States	$ 476.5	$ 274.7	$ 121.6	**$ 872.8**
Europe	97.8	43.1	53.4	**194.3**
Asia-Pacific	50.4	7.0	42.1	**99.5**
Canada	28.9	46.8	7.1	**82.8**
Rest-of-World	33.5	4.9	20.2	**58.6**
Marine eliminations	(96.6)	—	—	**(96.6)**
Total	$ 590.5	$ 376.5	$ 244.4	**$ 1,211.4**
Major Product Lines				
Propulsion	$ 379.0	$ —	$ —	**$ 379.0**
Parts & Accessories	308.1	—	—	**308.1**
Aluminum Freshwater Boats	—	161.6	—	**161.6**
Recreational Fiberglass Boats	—	127.7	—	**127.7**
Saltwater Fishing Boats	—	85.7	—	**85.7**
Commercial Cardio Fitness Equipment	—	—	132.3	**132.3**
Commercial Strength Fitness Equipment	—	—	90.9	**90.9**
Consumer Fitness Equipment	—	—	21.2	**21.2**
Other	—	1.5	—	**1.5**
Marine eliminations	(96.6)	—	—	**(96.6)**
Total	$ 590.5	$ 376.5	$ 244.4	**$ 1,211.4**

As of January 1, 2019, $178.7 million of contract liabilities associated with extended warranties, customer deposits, and product rebates were reported in Accrued expenses and Other Long-term liabilities and $28.2 million of this amount was recognized as revenue during the three months ended March 30, 2019. As of March 30, 2019, total contract liabilities were $187.7 million. The total amount of the transaction price allocated to unsatisfied performance obligations as of March 30, 2019 was $163.1 million for contracts greater than one year, which includes both extended warranties and product rebates. The Company expects to recognize approximately $45.3 million of this amount in 2019, $57.7 million in 2020, and $60.1 million thereafter.

Note 3 – Restructuring, Exit, Integration and Impairment Activities

As discussed in **Note 9 – Goodwill and Other Intangibles**, in the first quarter of 2019 the Company determined that the carrying value of its Fitness reporting unit was in excess of its fair value. As a result, the Company recorded a goodwill impairment charge of $137.2 million within the Fitness segment.

In the first quarter of 2019, the Company recorded restructuring charges within the Boat segment related to consolidating its commercial and government products operations in order to rationalize its product line to better align with customer demand.

In the first quarter of 2019, the Company recorded charges within Corporate for headcount reductions aimed at streamlining the cost structure.

In the first quarter of 2019 and 2018, the Company implemented headcount reductions in the Fitness segment aimed at improving general operating efficiencies.

Notes to Condensed Consolidated Financial Statements
(unaudited)

The Company recorded restructuring, exit, integration and impairment charges in the Condensed Consolidated Statements of Comprehensive Income as a result of the activities described above. The following table is a summary of the expense associated with the restructuring, exit, integration and impairment activities for the three months ended March 30, 2019 and March 31, 2018, as discussed above:

	March 30, 2019				March 31, 2018		
(in millions)	**Fitness**	**Boat**	**Corporate**	**Total**	**Fitness**	**Boat**	**Total**
Restructuring and exit activities:							
Employee termination and other benefits	$ 1.1	$ 0.4	$ 1.2	**$ 2.7**	$ 0.8	$ 2.0	**$ 2.8**
Current asset write-downs (gains on disposal)	—	0.2	—	**0.2**	(0.4)	—	**(0.4)**
Professional fees	—	—	—	**—**	—	0.6	**0.6**
Other	—	0.1	—	**0.1**	—	—	**—**
Asset disposition and impairment actions:							
Goodwill impairment	137.2	—	—	**137.2**	—	—	**—**
Definite-lived and other asset impairments	—	1.3	—	**1.3**	—	—	**—**
Integration activities:							
Employee termination and other benefits	—	—	—	**—**	0.0	—	**0.0**
Professional fees	—	—	—	**—**	0.7	—	**0.7**
Other	—	—	—	**—**	0.1	—	**0.1**
Total restructuring, exit, integration and impairment charges	$ 138.3	$ 2.0	$ 1.2	**$ 141.5**	$ 1.2	$ 2.6	**$ 3.8**
Total cash payments for restructuring, exit, integration and impairment charges (A)	$ 0.7	$ 5.0	$ 0.2	**$ 5.9**	$ 2.0	$ 0.2	**$ 2.5**
Accrued charges at end of the period (B)	$ 4.0	$ 10.8	$ 2.0	**$ 16.8**	$ 4.4	$ 3.4	**$ 8.0**

(A) Total cash payments for the three months ended March 31, 2018 also include $0.3 million of payments for Corporate restructuring, exit, integration and impairment charges. Cash payments may include payments related to prior period charges.
(B) Restructuring, exit, integration and impairment charges accrued as of March 31, 2018 also include $0.2 million of Corporate charges. The accrued charges as of March 30, 2019 are expected to be paid during 2019 and 2020.

Note 4 – Acquisitions

2018 Acquisitions

On August 9, 2018, the Company completed its acquisition of the Global Marine & Mobile business of Power Products Holdings, LLC (Power Products) for $909.6 million in cash, on a cash-free, debt-free basis. Brunswick used proceeds from a combination of 364-day, three-year and five-year term loans (Term Loans) totaling $800.0 million as described in the 2018 Form 10-K along with cash on hand to fund this acquisition.

Power Products is a leading provider of electrical products to marine and other recreational and specialty vehicle markets. The acquisition advances Brunswick’s leadership by adding integrated electrical systems solutions to the marine market and an array of other mobile, specialty vehicle and industrial applications. Power Products is managed as part of the Marine Engine segment.

The purchase price allocation for the assets acquired and liabilities assumed is preliminary and subject to change within the allowed measurement period as the Company finalizes its fair value estimates. The following table is a summary of the assets acquired, liabilities assumed and net cash consideration paid for the Power Products acquisition during 2018:

Notes to Condensed Consolidated Financial Statements
(unaudited)

(in millions)	Fair Value	Useful Life
Accounts and notes receivable	$ 38.3	
Inventory	64.3	
Goodwill [(A)] [(B)]	348.6	
Trade names	111.0	Indefinite
Customer relationships	430.0	15 years
Property and equipment	10.6	
Other assets	5.6	
Total assets acquired	1,008.4	
Accounts payable [(B)]	24.3	
Accrued expenses [(B)]	19.8	
Deferred tax liabilities	54.7	
Total liabilities assumed	98.8	
Net cash consideration paid	$ 909.6	

(A) The goodwill recorded for the acquisition of Power Products is partially deductible for tax purposes.
(B) Includes $4.4 million of purchase accounting adjustments in the first quarter of 2019 related to contingency reserves.

Pro Forma Financial Information (Unaudited)

The pro forma information has been prepared as if the Power Products acquisition and the related debt financing had occurred on January 1, 2018. These pro forma results are based on estimates and assumptions which the Company believes to be reasonable. They are not the results that would have been realized had the acquisition actually occurred on January 1, 2018 and are not necessarily indicative of Brunswick's consolidated net earnings in future periods. The pro forma results include adjustments primarily related to interest expense on the Term Loans and amortization of intangible assets.

	Three Months Ended	
(in millions)	March 30, 2019	March 31, 2018
Pro forma Net sales	**$ 1,275.9**	$ 1,272.7
Pro forma Operating earnings (loss)	**(28.6)**	93.8
Pro forma Net earnings (loss)	**(34.9)**	59.2

The pro forma results reflect an effective income tax rate of23.9 percent and 22.5 percent for the three months ended March 30, 2019 and March 31, 2018, respectively.

Note 5 – Financial Instruments

The Company operates globally with manufacturing and sales facilities 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. See Note 15 in the Notes to Consolidated Financial Statements in the 2018 Form 10-K for further details regarding the Company's financial instruments and hedging policies.

Foreign Currency Derivatives. Forward exchange contracts outstanding at March 30, 2019, December 31, 2018 and March 31, 2018 had notional contract values of $493.8 million, $424.1 million and $436.0 million, respectively. There were no option contracts outstanding at March 30, 2019. Option contracts outstanding at December 31, 2018 and March 31, 2018 had notional contract values of $27.2 million and $18.0 million, respectively. The forward contracts outstanding at March 30, 2019 mature through 2020 and mainly relate to the Euro, Japanese yen, Canadian dollar and Australian dollar. As of March 30, 2019, the Company estimates

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that during the next 12 months, it will reclassify approximately $6.8 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 March 30, 2019, December 31, 2018 and March 31, 2018, 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. These instruments have been designated as fair value hedges, with the fair value recorded in long-term debt.

As of March 30, 2019, December 31, 2018 and March 31, 2018, the Company had $2.4 million, $2.5 million and $3.2 million, respectively, of net deferred losses associated with all settled forward-starting interest rate swaps, which were designated as cash flow hedges with gains and losses included in Accumulated other comprehensive loss. As of March 30, 2019, the Company estimates that during the next 12 months, it will reclassify approximately $0.6 million of net losses resulting from settled forward-starting interest rate swaps from Accumulated other comprehensive loss to Interest expense.

As of March 30, 2019, December 31, 2018 and March 31, 2018, 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**		
		Mar 30, 2019	**Dec 31, 2018**	**Mar 31, 2018**		**Mar 30, 2019**	**Dec 31, 2018**	**Mar 31, 2018**
Derivatives Designated as Cash Flow Hedges								
Foreign exchange contracts	Prepaid expenses and other	**$ 6.9**	$ 8.1	$ 2.8	Accrued expenses	**$ 1.0**	$ 1.1	$ 5.8
Derivatives Designated as Fair Value Hedges								
Interest rate contracts	Prepaid expenses and other	**$ 0.0**	$ 0.0	$ 2.9	Accrued expenses	**$ 0.2**	$ 0.1	$ 2.6
Interest rate contracts	Other long-term assets	**0.9**	—	—	Other long-term liabilities	**0.4**	1.8	2.8
Total		**$ 0.9**	$ 0.0	$ 2.9		**$ 0.6**	$ 1.9	$ 5.4
Other Hedging Activity								
Foreign exchange contracts	Prepaid expenses and other	**$ 1.3**	$ 1.0	$ 0.4	Accrued expenses	**$ 0.2**	$ 0.1	$ 0.5

The effect of derivative instruments on the Condensed Consolidated Statements of Comprehensive Income for the three months ended March 30, 2019 and March 31, 2018 was:

(in millions)

Derivatives Designated as Cash Flow Hedging Instruments	**Amount of Gain (Loss) on Derivatives Recognized in Accumulated Other Comprehensive Loss**		**Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Earnings**	**Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Earnings**	
	Mar 30, 2019	**Mar 31, 2018**		**Mar 30, 2019**	**Mar 31, 2018**
Interest rate contracts	**$ —**	$ —	Interest expense	**$ (0.1)**	$ (0.3)
Foreign exchange contracts	**1.5**	(3.6)	Cost of sales	**2.8**	(2.6)
Total	**$ 1.5**	$ (3.6)		**$ 2.7**	$ (2.9)

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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	
		Mar 30, 2019	Mar 31, 2018
Interest rate contracts	Interest expense	**$ (0.1)**	$ 0.2

Other Hedging Activity	Location of Gain (Loss) on Derivatives Recognized in Earnings	Amount of Gain (Loss) on Derivatives Recognized in Earnings	
		Mar 30, 2019	Mar 31, 2018
Foreign exchange contracts	Cost of sales	**$ 1.3**	$ (3.7)
Foreign exchange contracts	Other expense, net	**0.0**	(1.1)
Total		**$ 1.3**	$ (4.8)

Fair Value of Other Financial Instruments. The carrying values of the Company's short-term financial instruments, including cash and cash equivalents and accounts and notes receivable approximate their fair values because of the short maturity of these instruments. At March 30, 2019, December 31, 2018 and March 31, 2018, the fair value of the Company's long-term debt was approximately $1,363.0 million, $1,292.9 million and $497.6 million, respectively, and was determined using Level 1 and Level 2 inputs described in Note 8 to the Notes to Consolidated Financial Statements in the 2018 Form 10-K. The carrying value of long-term debt, including current maturities, was$1,310.1 million, $1,226.4 million and $438.8 million as of March 30, 2019, December 31, 2018 and March 31, 2018, respectively.

Note 6 – Fair Value Measurements

The following table summarizes the Company's financial assets and liabilities measured at fair value on a recurring basis as ofMarch 30, 2019:

(in millions)	Level 1	Level 2	Total
Assets:			
Cash equivalents	$ 0.2	$ —	**$ 0.2**
Short-term investments in marketable securities	0.8	—	**0.8**
Restricted cash	9.1	—	**9.1**
Derivatives	—	9.1	**9.1**
Total assets	$ 10.1	$ 9.1	**$ 19.2**
Liabilities:			
Derivatives	$ —	$ 1.8	**$ 1.8**
Deferred compensation	3.8	24.6	**28.4**
Total liabilities at fair value	$ 3.8	$ 26.4	**$ 30.2**
Liabilities measured at net asset value			**10.2**
Total liabilities			**$ 40.4**

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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 December 31, 2018:

(in millions)	Level 1	Level 2	Total
Assets:			
Short-term investments in marketable securities	$ 0.8	$ —	**$ 0.8**
Restricted cash	9.0	—	**9.0**
Derivatives	—	9.1	**9.1**
Total assets	$ 9.8	$ 9.1	**$ 18.9**
Liabilities:			
Derivatives	$ —	$ 3.1	**$ 3.1**
Deferred compensation	3.5	22.9	**26.4**
Total liabilities at fair value	$ 3.5	$ 26.0	**$ 29.5**
Liabilities measured at net asset value			**10.2**
Total liabilities			**$ 39.7**

The following table summarizes the Company’s financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

(in millions)	Level 1	Level 2	Total
Assets:			
Short-term investments in marketable securities	$ 0.8	$ —	**$ 0.8**
Restricted cash	9.4	—	**9.4**
Derivatives	—	6.1	**6.1**
Total assets	$ 10.2	$ 6.1	**$ 16.3**
Liabilities:			
Derivatives	$ —	$ 11.7	**$ 11.7**
Deferred compensation	3.6	27.8	**31.4**
Total liabilities at fair value	$ 3.6	$ 39.5	**$ 43.1**
Liabilities measured at net asset value			**8.8**
Total liabilities			**$ 51.9**

In addition to the items shown in the tables above, refer to Note 18 in the Notes to Consolidated Financial Statements in the 2018 Form 10-K for further discussion regarding the fair value measurements associated with the Company’s postretirement benefit plans.

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Note 7 – Share-Based Compensation

Under the Brunswick Corporation 2014 Stock Incentive Plan, the Company may grant 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 initially available for grant, 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 March 30, 2019, 4.9 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 0.3 million of stock awards during both the three months ended March 30, 2019 and March 31, 2018. 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 on the balance sheet and adjusted to fair value each reporting period through stock compensation expense. During the three months ended March 30, 2019 and March 31, 2018, the Company charged $2.6 million and $2.5 million, respectively, to compensation expense for non-vested stock awards.

As of March 30, 2019, there was $27.1 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements. The Company expects this cost to be recognized over a weighted average period of 2.4 years.

Performance Awards

In both February of 2019 and 2018, the Company granted 0.1 million performance shares to certain senior executives. Performance 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 the Company's stock returns measured against stock returns of a predefined comparator group over a three-year performance period. Additionally, in February 2019 and 2018, the Company granted 24,605 and 24,490 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. During the three months ended March 30, 2019 and March 31, 2018, the Company recognized a charge of $0.7 million and a benefit of $0.5 million, respectively, based on projections of probable attainment of the performance measures and the projected TSR modifier used to determine the performance awards.

The fair values of the senior executives' performance share award grants with a TSR modifier for grants in 2019 and 2018 were $49.64 and $61.59, respectively, which were estimated using the Monte Carlo valuation model, and incorporated the following assumptions:

	2019	2018
Risk-free interest rate	**2.9%**	2.4%
Dividend yield	**1.7%**	1.3%
Volatility factor	**41.0%**	38.9%
Expected life of award	**2.9 years**	2.9 years

The fair value of certain officers' and certain senior managers' performance awards granted based solely on the CFROI and OM performance factors was $47.61 and $57.19 in 2019 and 2018, respectively, which was equal to the stock price on the date of grant in 2019 and 2018, respectively, less the present value of expected dividend payments over the vesting period.

As of March 30, 2019, the Company had $8.4 million of total unrecognized compensation cost related to performance awards. The Company expects this cost to be recognized over a weighted average period of 1.5 years.

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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.

Note 8 – Commitments and Contingencies

There were no material changes during the three months ended March 30, 2019 to the financial commitments or the legal and environmental contingencies that were discussed in Note 14 in the Notes to Consolidated Financial Statements in the 2018 Form 10-K.

Product Warranties

The following activity related to product warranty liabilities was recorded in Accrued expenses during the three months ended March 30, 2019 and March 31, 2018:

(in millions)	March 30, 2019	March 31, 2018
Balance at beginning of period	**$ 141.9**	$ 127.2
Payments made	**(23.4)**	(16.2)
Provisions/additions for contracts issued/sold	**18.9**	19.0
Aggregate changes for preexisting warranties	**0.1**	(4.3)
Foreign currency translation	**(0.0)**	0.7
Other	**0.5**	(0.1)
Balance at end of period	**$ 138.0**	$ 126.3

Extended Warranties

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 March 30, 2019 and March 31, 2018:

(in millions)	March 30, 2019	March 31, 2018
Balance at beginning of period	**$ 133.1**	$ 112.1
Extended warranty contracts sold	**16.8**	12.9
Revenue recognized on existing extended warranty contracts	**(14.1)**	(10.1)
Foreign currency translation	**0.1**	0.5
Balance at end of period	**$ 135.9**	$ 115.4

Note 9 – Goodwill and Other Intangibles

Changes in the Company's goodwill during the three months ended March 30, 2019, by segment, are summarized below:

(in millions)	December 31, 2018	Impairments	Adjustments	March 30, 2019
Marine Engine	$ 375.1	$ —	$ 4.5	**$ 379.6**
Boat	2.2	—	—	**2.2**
Fitness	389.8	(137.2)	(0.3)	**252.3**
Total	$ 767.1	$ (137.2)	$ 4.2	**$ 634.1**

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Changes in the Company's goodwill during the three months ended March 31, 2018, by segment, are summarized below:

(in millions)	December 31, 2017	Impairments	Adjustments	March 31, 2018
Marine Engine	$ 31.7	$ —	$ 1.2	**$ 32.9**
Boat	2.2	—	—	**2.2**
Fitness	391.4	—	1.8	**393.2**
Total	$ 425.3	$ —	$ 3.0	**$ 428.3**

Due to recent, significant progress made toward the planned Fitness business separation and the strong level of buyer interest in the sales process, the Company re-evaluated the fair value of the Fitness reporting unit in the first quarter of 2019. To assess fair value, the Company performed a quantitative test using a combination of the market approach and the income approach. Fair value under the market approach was informed by significant progress made on the sale process during the quarter. The income approach calculates the fair value of the reporting unit using a discounted cash flow approach utilizing a Gordon Growth model. Internally forecasted future cash flows are discounted using a weighted average cost of capital (Discount Rate) developed for each reporting unit. The Discount Rate is developed using market observable inputs, as well as considering whether or not there is a measure of risk related to the specific reporting unit's forecasted performance.

As a result of performing the fair value test, the Company determined the fair value of the Fitness reporting unit was less than its carrying value resulting in a pre-tax goodwill impairment charge of $137.2 million ($103.0 million after tax) for the three months ended March 30, 2019. The impairment was calculated in accordance with ASU 2017-04 as discussed in **Note 1 - Significant Accounting Policies** in the Notes to Condensed Consolidated Financial Statements. The charge was recorded within the Company's Fitness segment within Restructuring, exit, integration and impairment in the Condensed Consolidated Statements of Comprehensive Income.

Adjustments for the three months ended March 30, 2019 mainly relate to refining purchase accounting related to the Power Products acquisition. See **Note 4 – Acquisitions** for further details on the Company's acquisitions. Adjustments in both periods include the effect of foreign currency translation on goodwill denominated in currencies other than the U.S. dollar.

As of March 30, 2019 the Company had $137.2 million of accumulated impairment loss on Goodwill. There was no accumulated impairment loss on Goodwill as of December 31, 2018 and March 31, 2018.

The Company's intangible assets, included within Other intangibles, net on the Condensed Consolidated Balance Sheets as of March 30, 2019, December 31, 2018 and March 31, 2018, are summarized by intangible asset type below:

	March 30, 2019		December 31, 2018		March 31, 2018	
(in millions)	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Intangible assets:						
Customer relationships	**$ 734.3**	**$ (265.2)**	$ 734.4	$ (256.5)	$ 306.5	$ (240.1)
Trade names	**164.5**	**(0.6)**	164.4	—	76.1	—
Other	**22.4**	**(18.7)**	22.3	(18.2)	22.6	(17.1)
Total	**$ 921.2**	**$ (284.5)**	$ 921.1	$ (274.7)	$ 405.2	$ (257.2)

The Company's intangible assets, included within Other intangibles, net on the Condensed Consolidated Balance Sheets as of March 30, 2019, December 31, 2018 and March 31, 2018, are summarized by segment below:

	March 30, 2019		December 31, 2018		March 31, 2018	
(in millions)	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Intangible assets:						
Marine Engine	**$ 618.6**	**$ (59.7)**	$ 618.3	$ (52.0)	$ 79.1	$ (39.2)
Boat	**223.4**	**(204.2)**	223.4	(203.9)	223.6	(203.2)
Fitness	**79.2**	**(20.6)**	79.4	(18.8)	102.5	(14.8)
Total	**$ 921.2**	**$ (284.5)**	$ 921.1	$ (274.7)	$ 405.2	$ (257.2)

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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 $9.8 million and $2.2 million for the three months ended March 30, 2019 and March 31, 2018, respectively.

Note 10 – Segment Data

Reportable 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 March 30, 2019 and March 31, 2018:

	Net Sales		Operating Earnings (Loss)	
(in millions)	March 30, 2019	March 31, 2018	March 30, 2019	March 31, 2018
Marine Engine	$ 766.0	$ 687.1	$ 112.9	$ 95.7
Boat	373.3	376.5	22.0	14.4
Marine eliminations	(88.6)	(96.6)	—	—
Total Marine	1,050.7	967.0	134.9	110.1
Fitness	225.2	244.4	(139.1)	11.0
Corporate/Other	—	—	(24.4)	(16.0)
Total	$ 1,275.9	$ 1,211.4	$ (28.6)	$ 105.1

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

	Total Assets		
(in millions)	March 30, 2019	December 31, 2018	March 31, 2018
Marine Engine	$ 2,628.4	$ 2,380.9	$ 1,384.6
Boat	433.6	423.2	449.7
Total Marine	3,062.0	2,804.1	1,834.3
Fitness	844.9	972.7	1,004.9
Corporate/Other	422.9	508.9	565.4
Total	$ 4,329.8	$ 4,285.7	$ 3,404.6

As of March 30, 2019, December 31, 2018 and March 31, 2018, the Company had $8.9 million, $8.9 million and $12.8 million, respectively, of net assets classified as held-for-sale within Net property in the Condensed Consolidated Balance Sheets.

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Note 11 – Comprehensive Income

Accumulated other comprehensive loss in the Condensed Consolidated Balance Sheets includes foreign currency cumulative translation adjustments; prior service costs and credits and net actuarial gains and losses for defined benefit plans; 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 March 30, 2019 and March 31, 2018 were as follows:

(in millions)	March 30, 2019	March 31, 2018
Net earnings (loss)	**$ (36.3)**	$ 72.9
Other comprehensive income (loss):		
Foreign currency cumulative translation adjustment	**0.1**	9.9
Net change in unamortized prior service credits	**(0.1)**	(0.1)
Net change in unamortized actuarial losses	**1.9**	1.9
Net change in unrealized derivative losses	**(0.9)**	(0.7)
Total other comprehensive income	**1.0**	11.0
Comprehensive income (loss)	**$ (35.3)**	$ 83.9

The following table presents the changes in Accumulated other comprehensive loss by component, all net of tax, for thethree months ended March 30, 2019:

(in millions)	Foreign currency translation	Prior service credits	Net actuarial losses	Net derivative losses	Total
Beginning balance	$ (48.9)	$ (6.1)	$ (306.2)	$ (1.9)	**$ (363.1)**
Other comprehensive income (loss) before reclassifications (A)	0.1	—	(0.0)	1.0	**1.1**
Amounts reclassified from Accumulated other comprehensive loss (B)	—	(0.1)	1.9	(1.9)	**(0.1)**
Net other comprehensive income (loss)	0.1	(0.1)	1.9	(0.9)	**1.0**
Ending balance	$ (48.8)	$ (6.2)	$ (304.3)	$ (2.8)	**$ (362.1)**

(A) The tax effects for the three months ended March 30, 2019 were $0.2 million for foreign currency translation, $0.0 million for net actuarial losses arising during the period and $(0.5) million for derivatives.
(B) See the table below for the tax effects for the three months ended March 30, 2019.

The following table presents the changes in Accumulated other comprehensive loss by component, all net of tax, for thethree months ended March 31, 2018:

(in millions)	Foreign currency translation	Prior service credits	Net actuarial losses	Net derivative losses	Total
Beginning balance	$ (31.6)	$ (5.6)	$ (310.8)	$ (11.8)	**$ (359.8)**
Other comprehensive income (loss) before reclassifications (A)	9.9	—	(0.1)	(2.8)	**7.0**
Amounts reclassified from Accumulated other comprehensive loss (B)	—	(0.1)	2.0	2.1	**4.0**
Net other comprehensive income (loss)	9.9	(0.1)	1.9	(0.7)	**11.0**
Ending balance	$ (21.7)	$ (5.7)	$ (308.9)	$ (12.5)	**$ (348.8)**

(A) The tax effects for the three months ended March 31, 2018 were $0.2 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 March 31, 2018.

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The following table presents reclassification adjustments out of Accumulated other comprehensive loss during the three months ended March 30, 2019 and March 31, 2018:

Details about Accumulated other comprehensive income (loss) components (in millions)	March 30, 2019	March 31, 2018	Affected line item in the statement where net income is presented
Amortization of defined benefit items:			
Prior service credits	**$ 0.2**	$ 0.2	Other expense, net
Net actuarial losses	**(2.5)**	(2.5)	Other expense, net
	(2.3)	(2.3)	Earnings (loss) before income taxes
	0.5	0.4	Income tax provision (benefit)
	$ (1.8)	$ (1.9)	Net earnings (loss)
Amount of gain (loss) reclassified into earnings on derivative contracts:			
Interest rate contracts	**$ (0.1)**	$ (0.3)	Interest expense
Foreign exchange contracts	**2.8**	(2.6)	Cost of sales
	2.7	(2.9)	Earnings (loss) before income taxes
	(0.8)	0.8	Income tax provision (benefit)
	$ 1.9	$ (2.1)	Net earnings (loss)

Note 12 – Income Taxes

The Company recognized an income tax benefit of $(11.4) million and an income tax provision of $27.2 million for the three months ended March 30, 2019 and March 31, 2018, respectively, which included a net benefit of $(0.6) million and a net charge of $6.7 million, respectively. The net benefit of $(0.6) million related to certain special tax items. The net charge of $6.7 million was due primarily to updates related to 2017 tax reform. The effective tax rate, which is calculated as the income tax provision (benefit) as a percentage of earnings (loss) before income taxes, for the three months ended March 30, 2019 and March 31, 2018 was 23.9 percent and 27.2 percent, respectively.

No deferred income taxes have been provided as of March 30, 2019, December 31, 2018 or March 31, 2018 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 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 March 30, 2019, December 31, 2018 and March 31, 2018, the Company had $2.7 million, $2.3 million and $2.8 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 March 30, 2019 could decrease by approximately $1.0 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 2019, but the amount cannot be estimated at this time.

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 2014 tax year and all open issues have been resolved. The Company is currently open to tax examinations by the IRS for the 2014 through 2017 tax years. Primarily as a result of filing amended returns, which were generated by the closing of federal income tax audits, the Company is still open to state and local tax audits in major tax jurisdictions dating back to the 2012 taxable year. The Company is no longer subject to income tax examinations by any major foreign tax jurisdiction for years prior to 2013.

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Note 13 – 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 18 in the Notes to Consolidated Financial Statements in the 2018 Form 10-K for further details regarding these plans.

Pension and other postretirement benefit costs included the following components for the three months ended March 30, 2019 and March 31, 2018:

	Pension Benefits		Other Postretirement Benefits	
(in millions)	**March 30, 2019**	**March 31, 2018**	**March 30, 2019**	**March 31, 2018**
Interest cost	**$ 2.6**	$ 5.7	**$ 0.3**	$ 0.3
Expected return on plan assets	**(3.3)**	(6.3)	**—**	—
Amortization of prior service credits	**—**	—	**(0.2)**	(0.2)
Amortization of net actuarial losses	**2.5**	2.5	**—**	—
Net pension and other benefit costs	**$ 1.8**	$ 1.9	**$ 0.1**	$ 0.1

Employer Contributions and Benefit Payments. The Company did not make contributions to its qualified pension plans during the three months ended March 30, 2019 or March 31, 2018. During the three months ended March 30, 2019 and March 31, 2018, the Company contributed $1.5 million and $1.0 million, respectively, to fund benefit payments to its nonqualified pension plan.

Note 14 – Debt

In March 2019, the Company issued an aggregate principal amount of $230.0 million of its 6.375% Senior Notes (2049 Notes) due April 2049 in a public offering, which resulted in aggregate net proceeds to the Company of $222.0 million. Net proceeds from the offering of the 2049 Notes were used to prepay all of the $150.0 million, 3-year tranche loan due 2021 and for general corporate purposes. Interest on the 2049 Notes is due quarterly, commencing on April 15, 2019. The Company may, at its option, redeem the 2049 Notes on or after (but not prior to) April 15, 2024, either in whole or in part, at a redemption price equal to 100 percent of the principal amount plus any accrued and unpaid interest. Additionally, in the event of a change in control, the Company may be required to repurchase some or all of its 2049 Notes at a price equal to 101 percent of the principal amount plus any accrued and unpaid interest. The 2049 Notes are unsecured and do not contain subsidiary guarantees.

Scheduled maturities, net:

(in millions)	
Remainder of 2019	$ 31.2
2020	41.6
2021	190.1
2022	36.0
2023	304.2
Thereafter	683.4
Total debt	$ 1,286.5

The Company maintains an Amended and Restated Credit Agreement (Credit Facility) providing for $400.0 million of borrowing capacity in effect through September 2023. The Credit Facility includes provisions to add up to $100.0 million of additional borrowing capacity and extend the facility for two additional one-year terms, subject to lender approval. During the first quarter of 2019, borrowings under the Credit Facility totaled $215.0 million, all of which were repaid during the quarter. No borrowings were outstanding as of March 30, 2019, and available borrowing capacity totaled $396.4 million, net of $3.6 million of letters of credit outstanding under the Credit Facility. The maximum amount utilized under the Credit Facility during the three months ended March 30, 2019, including letters of credit outstanding, was $163.4 million. See Note 17 in the Notes to Consolidated Financial Statements in the 2018 Form 10-K for details regarding the Company's Credit Facility.

Notes to Condensed Consolidated Financial Statements
(unaudited)

As of March 30, 2019, the Company was in compliance with the financial covenants associated with the Company's debt.

Note 15 – Leases

The Company has operating lease agreements for offices, branches, factories, distribution and service facilities and certain personal property. Leases with an initial lease term of 12 months or less are not recorded on the balance sheet. Finance leases are not material to the Company's condensed consolidated financial statements.

Several leases include one or more options to renew, with renewal terms that can extend the lease term from one to five years or more. The exercise of lease renewal options is at our sole discretion. Certain of our lease agreements include rental payments that vary based on changes in volume activity, storage activity, or changes in the Consumer Price Index (CPI) or other indices. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

A summary of the Company's lease assets and lease liabilities as of March 30, 2019 is as follows:

(in millions)	Classification	March 30, 2019
Lease Assets		
Operating lease assets	Operating lease assets	$ 99.2
Lease Liabilities		
Current operating lease liabilities	Accrued expenses	23.2
Non-current operating lease liabilities	Operating lease liabilities	83.8
Total lease liabilities		$ 107.0

A summary of the Company's total lease cost for the three months ended March 30, 2019 is as follows:

(in millions)	Classification	March 30, 2019
Operating lease cost	Selling, general, and administrative expense	$ 5.0
	Cost of sales	8.7
Variable lease cost	Selling, general, and administrative expense	1.2
	Cost of sales	2.0
Total lease cost (A)		$ 16.9

(A) Includes total short-term lease cost which is immaterial.

The Company's maturity analysis of its operating lease liabilities as of March 30, 2019 is as follows:

(in millions)	
2019	$ 21.9
2020	24.7
2021	20.6
2022	17.6
2023	14.8
Thereafter	23.0
Total lease payments	$ 122.6
Less: Interest	(15.6)
Present value of lease liabilities	$ 107.0

Notes to Condensed Consolidated Financial Statements
(unaudited)

The total weighted-average discount rate and remaining lease term for the Company's operating leases was 4.92 percent and 5.15 years, respectively, as of March 30, 2019. Total operating cash flows from operating leases were $7.3 million for the three months ended March 30, 2019.

The following represents the Company's future minimum rental payments at December 31, 2018 for agreements classified as operating leases under ASC 840 with non-cancelable terms in excess of one year:

(in millions)		
2019	$	40.3
2020		32.3
2021		26.5
2022		17.7
2023		13.7
Thereafter		22.9
Total (not reduced by minimum sublease income of $0.1)	$	153.4

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

Certain statements in Management's Discussion and Analysis of Financial Condition and Results of Operations of Brunswick Corporation (Brunswick or the Company) 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 2018 Annual Report on Form 10-K for the year ended December 31, 2018 (the 2018 Form 10-K).

Certain statements in the Management's Discussion and Analysis are based on non-GAAP financial measures. GAAP refers to generally accepted accounting principles in the United States. For example, the discussion of the Company's cash flows includes an analysis of free cash flows and total liquidity; the discussion of the Company's net sales includes a discussion of net sales on a constant currency basis and excluding acquisitions and Sport Yacht and Yacht operations; the discussion of the Company's earnings includes a presentation of operating earnings (loss) and operating margin excluding restructuring, exit, integration and impairment charges, Sport Yacht and Yacht operations, purchase accounting amortization and costs related to the planned Fitness business separation; gross margin excluding Sport Yacht and Yacht operations and purchase accounting amortization; and 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 consolidated statements of operations, 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. In order to better align Brunswick's reported results with the internal metrics used by the Company's management to evaluate business performance as well as to provide better comparisons to prior periods and peer data, non-GAAP measures exclude the impact of purchase accounting amortization related to the Power Products acquisition.

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, costs related to the planned Fitness business separation, acquisition-related costs, and certain other unusual adjustments.

Fitness Business Separation and Goodwill Impairment

The Company has made significant progress on the separation of the Fitness business and has received a strong level of buyer interest in the sales process. While the Company continues to maintain its preparedness for a spin-off of the Fitness business, the Company expects to be in a position to announce a sale of the Fitness business as expeditiously as possible in the second quarter of 2019.

As a result of the events described above, the Company re-evaluated the fair value of the Fitness reporting unit and recorded a goodwill impairment charge of $137.2 million within the Fitness segment. Refer to **Note 9 – Goodwill and Other Intangibles** in the Notes to Condensed Consolidated Financial Statements for further information.

Presentation of Sea Ray Results

As discussed in Note 3 - Discontinued Operations in the 2018 Form 10-K, the Company wound down its Sea Ray Sport Yacht and Yacht operations during 2018. As the wind-down was largely completed by the end of 2018, non-GAAP figures for 2018 exclude the results of Sport Yacht and Yacht operations.

Acquisition of Power Products

On August 9, 2018, the Company completed its acquisition of the Global Marine Business of Power Products Holdings, LLC (Power Products) for $909.6 million in cash, on a cash-free, debt-free basis. For further discussion regarding the acquisition, refer to **Note 4 – Acquisitions** in the Notes to Condensed Consolidated Financial Statements.

Overview and Outlook

Overview

Net sales increased 5 percent during the first quarter of 2019 when compared with the first quarter of 2018 and the Company's combined marine segments' net sales increased 9 percent over the comparative period. The Marine Engine segment reported strong net sales increases led by benefits from the Power Products acquisition and healthy demand for recently introduced higher horsepower outboard products. Boat segment net sales decreased slightly and were negatively affected by the wind down of Sport Yacht and Yacht operations in the second half of 2018. This headwind was partially offset by gains in premium product offerings including Sea Ray Sport Boats and Sport Cruisers. Consistent with expectations, Fitness segment revenues declined due to lower sales to value-oriented clubs along with softness in certain international markets. International net sales for the Company increased 4 percent in the first quarter of 2019 on a GAAP basis when compared with the first quarter of 2018, and increased 5 percent on a constant currency basis and excluding the impact of acquisitions. International sales increases were driven by Rest-of-World regions (which includes all regions other than the United States, Europe, Asia-Pacific and Canada), Europe and Canada, partially offset by slight declines in Asia-Pacific.

Operating losses in the first quarter of 2019 were $(28.6) million and included $141.5 million of restructuring, exit, integration and impairment charges, mainly resulting from a $137.2 million goodwill impairment charge in the Fitness segment. Additionally, the Company incurred $7.8 million of costs related to the planned Fitness business separation and $7.2 million of purchase accounting amortization related to the Power Products acquisition. Excluding these items, operating earnings for the first quarter of 2019 were $127.9 million with an operating margin of 10.0 percent. In the first quarter of 2018, the Company reported operating earnings of $105.1 million including restructuring, exit, integration and impairment charges of $3.8 million, losses of $8.1 million related to Sport Yacht and Yacht operations and $1.7 million of costs related to the planned Fitness business separation. Excluding these items, operating earnings in the first quarter of 2018 were $118.7 million with an operating margin of 9.9 percent. The decrease in operating earnings (loss) reflected the charges discussed above as well as declines in the Fitness segment resulting from lower net sales along with investments in product and systems ahead of the separation, cost inflation and inefficiencies. Partially offsetting these items were increased operating earnings in the Marine Engine segment which benefited from increased sales and favorable changes in sales mix.

Outlook

The Company is projecting 2019 to be another year of strong revenue and earnings growth with excellent free cash flow generation in excess of $320 million, with approximately $20 million attributable to the Company's Fitness segment. The Company is targeting net sales growth in its combined marine segments in the range of 8 percent to 10 percent, including an approximate 4 percent benefit from completed acquisitions, and mid single-digit percent declines in the Fitness segment.

The marine segments are expected to benefit from a steady global marine market, ongoing benefits from customer migration to higher horsepower engines and boats with increased technology and content, and market share gains due in part to the continued strong demand and acceptance of new outboard products. The Company anticipates the Marine Engine segment will increase net sales at a low-double-digit percentage rate including the Power Products acquisition as well as continued market share gains in outboard engines, especially in the greater than 175 horsepower categories. Boat segment net sales are expected to grow lowsingle digit percent including benefits from growth in premium brands in the U.S. The Company expects Fitness segment net sales to decline, reflecting lower sales to value-oriented health clubs and stable market demand.

The Company is planning to deliver higher earnings before income taxes in 2019 resulting from increased revenue and improvements in both gross margin and operating margin levels. Margin gains reflect strong improvement in the combined marine segments, partially offset by a margin decline in the Fitness segment. The Company projects operating expenses to increase in 2019 as it continues to fund incremental investments to support growth and incur costs in connection with the Fitness business separation.

Gross margins for the Company's marine segments in 2019 are anticipated to benefit from new products, volume leverage and cost reduction activities; additionally, the Marine Engine segment will benefit from the Power Products acquisition. Partially offsetting these positive factors are the estimated impacts of tariffs and unfavorable movements in foreign exchange rates, which are expected to have an incremental negative impact on gross margins versus 2018. Operating expenses for the marine segments are estimated to be slightly lower than 2018 on a percentage of sales basis. Fitness segment gross margins in 2019 are anticipated to remain consistent with 2018 levels, including benefits from cost reduction initiatives. Operating margins are expected to decline due to planned investments in new products and modernizing information technology platforms which are intended to position the Fitness business to succeed as an independent entity.

The Company is planning for its effective tax rate in 2019 to be approximately 23 percent based on existing tax law.

Matters Affecting Comparability

Certain events have occurred which the Company believes affect the comparability of the results of operations. The table below summarizes the impact of changes in currency exchange rates, the impact of recent acquisitions and the impact of Sport Yacht and Yacht operations on the Company's net sales:

	Net Sales		**Q1 2019 vs. Q1 2018**			
(in millions)	**Q1 2019**	**Q1 2018**	**GAAP**	**Currency Impact**	**Acquisition Impact**	**Impact of Sport Yacht and Yacht**
Marine Engine	**$ 766.0**	$ 687.1	11.5%	(2.1)%	8.2%	—
Boat	**373.3**	376.5	(0.8)%	(1.0)%	—	(4.1)%
Marine eliminations	**(88.6)**	(96.6)				
Total Marine	**1,050.7**	967.0	8.7%	(1.8)%	5.7%	(1.6)%
Fitness	**225.2**	244.4	(7.9)%	(1.5)%	—	—
Total	**$ 1,275.9**	$ 1,211.4	5.3%	(1.8)%	4.5%	(1.3)%

Acquisitions. The Company completed the Power Products acquisition during 2018 which affected the comparability of net sales. The impacts on consolidated and segment sales comparisons are reflected above. Refer to **Note 4 – Acquisitions** in the Notes to Consolidated Financial Statements for further information.

Changes in Foreign Currency Rates. Percentage changes in net sales expressed in constant currency reflect the impact that changes in currency exchange rates had on comparisons of net sales. To determine this information, net sales transacted in currencies other than U.S. dollars have been translated to U.S. dollars using the average exchange rates 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 22 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 and Brazilian reais.

Additionally, operating earnings comparisons were negatively affected by foreign exchange rates by approximately $3 million in the first quarter of 2019 when compared with 2018. These estimates include the impact of translation on all sales and costs transacted in a currency other than the U.S. dollar and the impact of hedging activities.

Sport Yacht and Yacht Wind-down. As discussed in Note 3 - Discontinued Operations in the 2018 Form 10-K, the Company wound down its Sea Ray Sport Yacht and Yacht operations during 2018. The results of Sport Yacht and Yacht operations for the three months ended March 31, 2018 are summarized in the table below:

(in millions)		March 31, 2018
Net sales	$	15.1
Gross margin		(3.6)
Restructuring, exit, integration and impairment charges		1.4
Operating loss		(8.1)

Restructuring, exit, integration and impairment charges. The Company recorded restructuring, exit, integration and impairment charges during the three months ended March 30, 2019 and March 31, 2018. The following table summarizes these charges by cash charges and non-cash charges.

(in millions)		March 30, 2019		March 31, 2018
Cash charges:				
Boat	**$**	**0.5**	$	2.6
Fitness		**1.1**		1.6
Corporate		**1.2**		—
Total cash charges		**2.8**		4.2
Non-cash charges (gains on disposal):				
Boat		**1.5**		—
Fitness (A)		**137.2**		(0.4)
Total non-cash charges		**138.7**		(0.4)
Total restructuring, exit, integration and impairment charges	**$**	**141.5**	$	3.8

(A) 2019 includes a $137.2 million goodwill impairment charge. Refer to **Note 9 – Goodwill and Other Intangibles** in the Notes to Condensed Consolidated Financial Statements for more information.

Refer to **Note 3 – Restructuring, Exit, Integration and Impairment Activities** in the Notes to Condensed Consolidated Financial Statements for further information.

Fitness business separation charges. On March 1, 2018, the Company's Board of Directors authorized proceeding with separating its Fitness business from the Company portfolio. While the Company continues to maintain its preparedness for a spin-off of the Fitness business, the Company expects to be in a position to announce a sale of the Fitness business as expeditiously as possible in the second quarter of 2019. In connection with this action, the Company incurred $7.8 million and $1.7 million of charges within Selling, general and administrative expense during the three months ended March 30, 2019 and March 31, 2018, respectively.

Purchase accounting amortization. As part of purchase accounting for the Power Products acquisition completed in the third quarter of 2018, the Company recognized definite-lived intangible assets which will be amortized over their useful lives. During the first quarter of 2019, the Company recorded $7.2 million of purchase accounting amortization within Selling, general and administrative expense.

Tax items. The Company recognized an income tax benefit of $(11.4) million and an income tax provision of $27.2 million for the three months ended March 30, 2019 and March 31, 2018, respectively, which included a net benefit of $(0.6) million and a net charge of $6.7 million, respectively. The net benefit of $(0.6) million related to certain special tax items. The net charge of $6.7 million was due primarily to updates related to 2017 tax reform. The effective tax rate, which is calculated as the income tax provision (benefit) as a percentage of earnings (loss) before income taxes, for the three months ended March 30, 2019 and March 31, 2018 was 23.9 percent and 27.2 percent, respectively.

See **Note 12 – Income Taxes** in the Notes to Condensed Consolidated Financial Statements for further details.

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:

(in millions, except per share data)	March 30, 2019	March 31, 2018	$ Change	% Change
Net sales (A)	**$ 1,275.9**	$ 1,211.4	$ 64.5	5.3%
Gross margin (B) (A)	**337.5**	310.0	27.5	8.9%
Restructuring, exit, integration and impairment charges (A) (C)	**141.5**	3.8	137.7	NM
Operating earnings (loss) (D)	**(28.6)**	105.1	(133.7)	NM
Net earnings (loss)	**(36.3)**	72.9	(109.2)	NM
Diluted earnings (loss) per common share	**$ (0.42)**	$ 0.82	$ (1.24)	NM
Expressed as a percentage of Net sales:				
Gross margin	**26.5 %**	25.6%		90 bps
Selling, general and administrative expense (D)	**14.9 %**	13.5%		140 bps
Research and development expense	**2.7 %**	3.1%		(40) bps
Restructuring, exit, integration and impairment charges (C)	**11.1 %**	0.3%		NM
Operating margin	**(2.2)%**	8.7%		NM

NM = not meaningful
bps = basis points

(A) 2018 results include Sport Yacht and Yacht operations. In the first quarter of 2018, Sport Yacht and Yacht operations reported Net sales of $15.1 million, Gross margin of $(3.6) million, Restructuring, exit, integration and impairment charges of $1.4 million and Operating earnings (loss) of $(8.1) million.
(B) Gross margin is defined as Net sales less Cost of sales as presented in the Condensed Consolidated Statements of Comprehensive Income.
(C) 2019 includes a $137.2 million goodwill impairment charge. Refer to **Note 9 – Goodwill and Other Intangibles** in the Notes to Condensed Consolidated Financial Statements for more information.
(D) Includes $7.8 million and $1.7 million in the first quarters of 2019 and 2018, respectively, of charges related to the planned Fitness business separation. The first quarter of 2019 includes $7.2 million of purchase accounting amortization related to the acquisition of Power Products in the third quarter of 2018.

Net sales increased during the first quarter of 2019 when compared with the first quarter of 2018 as a result of strong sales increases in the Marine Engine segment, partially offset by slight declines in the Boat segment and declines in the Fitness segment. Growth in the Marine Engine segment was led by benefits from the Power Products acquisition and a healthy demand for recently introduced higher horsepower outboard products. Additionally, the organic marine parts and accessories business continued its steady performance, with weather negatively influencing U.S. market growth in the quarter. Boat segment net sales decreased slightly and were negatively affected by the wind down of Sport Yacht and Yacht operations in 2018, partially offset by gains in premium offerings including Sea Ray Sport Boats and Sport Cruisers. Average selling prices expanded due to positive mix benefits and increased content on boats, along with inflationary price increases. As anticipated, Fitness segment revenues declined due to lower sales to value-oriented clubs along with softness in certain international markets. International net sales for the Company increased 4 percent in the first quarter of 2019 on a GAAP basis when compared with the first quarter of 2018, and increased 5 percent on a constant currency basis and excluding the impact of acquisitions. International sales increases were driven by Rest-of-World regions, Europe and Canada, partially offset by slight declines in Asia-Pacific.

Gross margin percent increased in the first quarter of 2019 when compared with the same prior year period, reflecting strong performance in the Marine Engine segment resulting from favorable impacts of changes in sales mix, as well as margin benefits from the absence of the Sea Ray Sport Yacht and Yacht operations in 2019, which had a negative gross margin impact in 2018. Additionally, unfavorable factors drove lower gross margins in the Fitness segment including unfavorable changes in sales mix and cost inflation, partially offset by cost reduction efforts.

Selling, general and administrative expense (SG&A) increased during the first three months of 2019 when compared with the prior year period. SG&A in 2019 included purchase accounting amortization associated with the Power Products acquisition while SG&A in both 2019 and 2018 included costs associated with the planned Fitness business separation. Excluding these items, SG&A as a percentage of sales was slightly higher in the first quarter of 2019 compared with the first quarter of 2018. Research and development expense decreased overall in the first quarter of 2019 as spending increases to support new product development in the prior year were largely completed, partly offset by continued investment in new product in the Marine Engine segment.

The Company recorded restructuring, exit, integration and impairment charges of $141.5 million and $3.8 million during the three months ended March 30, 2019 and March 31, 2018, respectively. Refer to **Note 3 – Restructuring, Exit, Integration and Impairment Activities** in the Notes to Condensed Consolidated Financial Statements for further information.

The Company recorded Equity earnings of $1.9 million and $1.0 million in the three months ended March 30, 2019 and March 31, 2018, respectively, which were mainly related to the Company's marine and technology-related joint ventures.

The Company recognized $(1.6) million and $(0.0) million in Other expense, net in the three months ended March 30, 2019 and March 31, 2018, respectively. Other expense, net primarily includes pension and other postretirement benefit costs, the amortization of deferred income related to a trademark licensing agreement with AMF Bowling Centers, Inc. as discussed in Note 1 in the Notes to Consolidated Financial Statements in the 2018 Form 10-K, as well as remeasurement gains and losses resulting from changes in foreign currency rates.

Net interest expense increased $13.4 million for the three months ended March 30, 2019 when compared with the same prior year period as a result of recent debt issuances as discussed in **Note 14 – Debt** in the Notes to Condensed Consolidated Financial Statements and Note 17 in the Notes to Consolidated Financial Statements in the 2018 Form 10-K.

The Company recognized an income tax benefit of $(11.4) million and an income tax provision of $27.2 million for the three months ended March 30, 2019 and March 31, 2018, respectively, which included a net benefit of $(0.6) million and a net charge of $6.7 million, respectively. The net benefit of $(0.6) million related to certain special tax items. The net charge of $6.7 million was due primarily to updates related to 2017 tax reform. The effective tax rate, which is calculated as the income tax provision (benefit) as a percentage of earnings (loss) before income taxes, for the three months ended March 30, 2019 and March 31, 2018 was 23.9 percent and 27.2 percent, respectively.

Due to the factors described in the preceding paragraphs, operating earnings (loss), net earnings (loss) and diluted earnings (loss) per common share decreased during the first quarter of 2019 compared with the same prior year period.

Diluted earnings per common share, as adjusted, decreased by $(0.02) per share, or (2) percent, to $0.99 per share for the first quarter of 2019 when compared with the first quarter of 2018, and included adjustments for the following items: a $1.29 per share charge for restructuring, exit, integration and impairment, a $0.07 per share charge for Fitness business separation costs, a $0.06 per share charge for purchase accounting amortization and a $0.01 per share net benefit for special tax items. In 2018, Diluted earnings per common share, as adjusted, was $1.01 per share and included the following items: a $0.03 per share charge for restructuring, exit, integration and impairment, an $0.08 per share net charge for special tax items, $0.07 per share of losses for Sport Yacht and Yacht operations and a $0.01 per share charge for Fitness business separation costs.

Marine Engine Segment

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

(in millions)	March 30, 2019	March 31, 2018	$ Change	% Change
Net sales	**$ 766.0**	$ 687.1	$ 78.9	11.5%
Operating earnings (A)	**112.9**	95.7	17.2	18.0%
Operating margin (A)	**14.7%**	13.9%		80 bps

bps = basis points
(A) Includes $7.2 million of purchase accounting amortization in 2019.

The Marine Engine segment reported strong net sales increases led by benefits from the Power Products acquisition. The propulsion business benefited from healthy demand for recently introduced higher horsepower outboard products, including the new 175 to 300 horsepower outboards. These new outboard products drove sales mix improvements, market share gains and margin accretion. The organic marine parts and accessories business continued its steady performance, with weather negatively influencing U.S. market growth in the quarter. Revenues from the Power Products acquisition completed in the third quarter of 2018 accounted for 8 percentage points of the Marine Engine segment's revenue growth rate. International net sales were 32 percent of the segment's net sales in the first quarter of 2019 and increased 15 percent from the prior year on a GAAP basis. On a constant currency basis and excluding the impact of the Power Products acquisition, international net sales increased 13 percent due to increases in all regions, particularly in Europe and Asia-Pacific.

Marine Engine segment operating earnings increased as a result of higher net sales and favorable impacts from changes in sales mix and benefits from the Power Products acquisition. Partially offsetting these items were continued investments in capacity expansions aimed at furthering engine production capabilities.

Boat Segment

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

(in millions)	March 30, 2019	March 31, 2018	$ Change	% Change
Boat segment:				
Net sales	**$ 373.3**	$ 376.5	$ (3.2)	(0.8)%
Restructuring, exit, integration and impairment charges	**2.0**	2.6	(0.6)	(23.1)%
Operating earnings	**22.0**	14.4	7.6	52.8 %
Operating margin	**5.9%**	3.8%		210 bps
Sport Yacht and Yacht operations:				
Net sales	**0.3**	15.1	(14.8)	(98.0)%
Restructuring, exit, integration and impairment charges	**—**	1.4	(1.4)	NM
Operating loss	**(1.1)**	(8.1)	7.0	86.4 %

bps = basis points
NM = not meaningful

Boat segment net sales decreased slightly with comparisons negatively affected by the wind down of Sport Yacht and Yacht operations in 2018. Excluding this factor, sales increased due in part to sales increases for aspirational brands with premium content, including Sea Ray Sport Boats and Sport Cruisers. Unit volumes declined due mostly to softness in value categories, due in part to weather delaying the start of the retail season. Average selling prices expanded due to positive mix benefits and increased content on boats, along with inflationary price increases. International sales were 27 percent of the segment's net sales in the first quarter of 2019 and decreased 2 percent on a GAAP basis. On a constant currency basis, international sales increased 1 percent, reflecting sales growth in Canada and Rest-of-World, partially offset by declines in Europe and Asia-Pacific.

Boat segment operating earnings increased in the first quarter of 2019 when compared with the first quarter of 2018, primarily reflecting benefits from the wind-down of Sea Ray Sport Yacht and Yacht operations completed in 2018. Excluding the impact of Sport Yacht and Yacht operations, operating earnings decreased slightly as a result of less favorable plant efficiencies at certain of our boat facilities, due in part to new product integrations, and planned spending on profit improvement initiatives. These negative factors were partially offset by positive changes in sales mix.

Fitness Segment

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

(in millions)	March 30, 2019	March 31, 2018	$ Change	% Change
Net sales	**225.2**	244.4	$ (19.2)	(7.9)%
Restructuring, exit, integration and impairment charges (A)	**138.3**	1.2	137.1	NM
Operating earnings (loss) (B)	**(139.1)**	11.0	(150.1)	NM
Operating margin (B)	**(61.8)%**	4.5%		NM

NM = not meaningful

(A) Charges in 2019 primarily relate to a $137.2 million goodwill impairment charge as discussed in **Note 9 – Goodwill and Other Intangibles** in the Notes to Condensed Consolidated Financial Statements.
(B) Includes $1.7 million of separation costs in 2019.

Consistent with expectations, Fitness segment revenues declined due to lower sales to Planet Fitness along with softness in certain international markets.International net sales were 49 percent of the segment's net sales in the first quarter of 2019 and decreased 10 percent on a GAAP basis and 7 percent on a constant currency basis, reflecting declines in Asia-Pacific and Europe partially offset by increases in Rest-of-World regions.

Fitness segment operating earnings decreased as a result of higher restructuring, exit, integration and impairment charges, lower net sales and several factors affecting gross margin including unfavorable changes in sales mix and cost inflation, partially offset by cost reduction efforts. Additionally, operating expenses increased as a result of higher separation costs and investments in products and technology in advance of the separation.

Corporate/Other

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

(in millions)	March 30, 2019	March 31, 2018	$ Change	% Change
Restructuring, exit, integration and impairment charges	**$ 1.2**	$ —	$ 1.2	NM
Operating loss (A)	**(24.4)**	(16.0)	(8.4)	(52.5)%

NM = not meaningful

(A) Includes $6.1 million and $1.7 million of charges in 2019 and 2018, respectively, related to the Fitness business separation.

Corporate operating expenses increased in the first quarter of2019 as a result of increased costs associated with the planned Fitness business separation and unfavorable mark-to-market adjustments for deferred compensation arrangements.

Cash Flow, Liquidity and Capital Resources

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

(in millions)	March 30, 2019	March 31, 2018
Net cash used for operating activities	**$ (79.4)**	$ (67.1)
Net cash provided by (used for):		
Plus: Capital expenditures	**(88.1)**	(37.1)
Plus: Proceeds from the sale of property, plant and equipment	**—**	0.1
Plus: Effect of exchange rate changes	**0.3**	4.3
Less: Cash paid for Fitness business separation costs, net of tax	**0.3**	—
Total free cash flow (A)	**$ (167.5)**	$ (99.8)

(A) The Company defines “Free cash flow” as cash flow from operating and investing activities of continuing operations (excluding cash provided by or used for acquisitions, investments, purchases or sales/maturities of marketable securities and other investing activities, as well as cash paid for Fitness business separation costs, net of tax) and the effect of exchange rate changes on cash and cash equivalents. Free cash flow is not intended as an alternative measure of cash flow from operations, 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 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” 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 capital investments, acquisitions, share repurchase programs and dividend payments are cash generated from operating activities, available cash and marketable securities balances and potential borrowings. The Company evaluates potential acquisitions, divestitures and joint ventures in the ordinary course of business.

2019 Cash Flow

Net cash used for operating activities in the first quarter of 2019 totaled $79.4 million versus $67.1 million in the comparable period of 2018. This comparison reflected lower net earnings, net of non-cash items (depreciation and amortization, impairments and income tax impacts not yet realized in cash) in 2019, which were partially offset by favorable working capital usage trends. For further details on factors influencing cash flows in both periods, refer to the following discussion.

In the first quarter of 2019, net cash used for operating activities totaled $79.4 million. The primary driver of the cash used for operating activities was a seasonal increase in working capital, partially offset by net earnings net of 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 $133.3 million primarily due to seasonal changes in net sales in the Marine Engine segment. Net inventories increased by $47.7 million, primarily driven by increases to support higher production volumes in advance of the marine selling season. Accrued expenses decreased $26.1 million, primarily driven by the impact of payments of the prior year's variable compensation, which had been accrued as of December 31, 2018.

Net cash used for investing activities totaled $91.9 million, which included capital expenditures of $88.1 million. The Company's capital spending focused on investments in new products as well as capacity expansion initiatives, mostly in the Marine Engine segment.

Net cash provided by financing activities was $38.2 million and primarily related to net issuances of long-term debt, partially offset by cash dividends paid to common shareholders. Refer to **Note 14 – Debt** in the Notes to Condensed Consolidated Financial Statements for further details on the Company's debt activity during the quarter.

2018 Cash Flow

In the first quarter of 2018, net cash used for operating activities totaled $67.1 million. The primary driver of the cash used for operating activities was a seasonal increase in working capital, partially offset by net earnings net of non-cash expense items and an income tax refund. Accounts and notes receivable increased $114.8 million due primarily due to seasonal changes in net sales in the Marine Engine segment. Net inventories increased by $75.4 million, primarily driven by increases to support higher production volumes in advance of marine selling season. Accrued expenses decreased $35.0 million, primarily driven by the impact of payments of the prior year's variable compensation, which had been accrued as of December 31, 2017.

Net cash used for investing activities during the first quarter of 2018 totaled $42.0 million, which included capital expenditures of $37.1 million. The Company's capital spending focused on investments in new products as well as capacity expansion initiatives, mostly in the marine segments.

Net cash used for financing activities of continuing operations was $60.0 million during the first quarter of 2018. 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 ofMarch 30, 2019, December 31, 2018 and March 31, 2018 as:

(in millions)	**March 30, 2019**	**December 31, 2018**	**March 31, 2018**
Cash and cash equivalents	**$ 161.5**	$ 294.4	$ 284.0
Short-term investments in marketable securities	**0.8**	0.8	0.8
Total cash, cash equivalents and marketable securities	**$ 162.3**	$ 295.2	$ 284.8

The following table sets forth an analysis of total liquidity as of March 30, 2019, December 31, 2018 and March 31, 2018:

(in millions)	March 30, 2019	December 31, 2018	March 31, 2018
Cash, cash equivalents and marketable securities	**$ 162.3**	$ 295.2	$ 284.8
Amounts available under lending facility (A)	**396.4**	295.7	295.7
Total liquidity (B)	**$ 558.7**	$ 590.9	$ 580.5

(A) See **Note 14 – 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, cash equivalents and marketable securities totaled $162.3 million as of March 30, 2019, a decrease of $132.9 million from $295.2 million as of December 31, 2018, and a decrease of $122.5 million from $284.8 million as of March 31, 2018. Total debt as of March 30, 2019, December 31, 2018 and March 31, 2018 was $1,286.5 million, $1,220.8 million and $434.0 million, respectively. The Company's debt-to-capitalization ratio was 45.7 percent as of March 30, 2019, up from 43.5 percent as of December 31, 2018 and from 22.7 percent as of March 31, 2018.

In the first quarter of 2019, and consistent with the Company's plan to substantially reduce all of its near-term maturity debt, the Company issued $230 million of 30-year senior notes and used $150 million of the proceeds to retire its 3-year tranche loan due 2021. Refer to **Note 14 – Debt** in the Notes to Condensed Consolidated Financial Statements for further details on the Company's debt activity during the quarter. Management believes that the Company has adequate sources of liquidity to meet the Company's short-term and long-term needs.

During the first quarter of 2019, the Company borrowed a total of $215.0 million under the Credit Facility, all of which was repaid during the quarter. The maximum amount utilized under the Credit Facility during the period, including letters of credit outstanding, was $163.4 million. The Company did not borrow under the Credit Facility during 2018.

The Company did not make contributions to its qualified pension plans during the three months ended March 30, 2019 or March 31, 2018. During the three months ended March 30, 2019 and March 31, 2018, the Company contributed $1.5 million and $1.0 million, respectively, to fund benefit payments to its nonqualified pension plan.

2019 Cash Flow Outlook and Capital Plan

The Company is projecting an increase in net earnings in 2019 when compared with 2018. Net activity in working capital is projected to reflect a usage of cash in 2019 in the range of $10 million to $30 million. Additionally, the Company is planning for capital expenditures of approximately $240 million to $260 million, including investments in capacity and new products, as well as cash payments in the first quarter of 2019 that relate to 2018 engine manufacturing capacity projects. Including these and other factors, the Company plans to generate free cash flow in 2019 in excess of $320 million, with approximately $20 million attributable to the Company's Fitness segment.

The Company plans on reducing debt by at least $150 million to $200 million primarily toward the end of 2019, with estimated interest expense in the range of $73 million to $75 million. Upon completion of the Fitness business separation, the Company will re-assess its debt retirement objectives, potential future acquisitions and share repurchase activities. The 2019 capital plan does not incorporate the utilization of any net proceeds the Company may receive in connection with the Fitness business separation.

Including the previously described planned debt actions in 2019, the Company plans to substantially reduce all of its near-term maturity debt (maturities 2023 and prior). To date, the Company has mostly funded reductions with proceeds from 30-year senior notes issued since October 2018. The remainder is expected to be funded primarily through free cash flow, potentially augmented by proceeds from the Fitness business separation.

Quarterly dividend payments in the 2019 plan are anticipated to be $0.21 per share, consistent with current levels. However, the Company may adjust these levels as it evaluates opportunities to grow dividends.

The Company plans to fully exit its qualified defined benefit pension plans in 2019, which will require a residual pre-tax contribution of approximately $15 million to $25 million. Additionally, the Company expects to incur charges in connection with this action, including the recognition of actuarial losses as well as certain income tax consequences.

The Company expects its cash tax rate to be in the high-single digit percentage range in 2019.

Financing Joint Venture

Through the Company's Brunswick Financial Services Corporation subsidiary, Brunswick owns a 49 percent interest in a joint venture, Brunswick Acceptance Company, LLC (BAC). Under the terms of the joint venture agreement, BAC provides secured wholesale inventory floorplan financing to Brunswick's boat and engine dealers. A subsidiary of Wells Fargo & Company owns the remaining 51 percent. The Company's financial services joint venture, Brunswick Acceptance Company, LLC, is detailed in the 2018 Form 10-K.

Off-Balance Sheet Arrangements and Contractual Obligations

The Company's off-balance sheet arrangements and contractual obligations, as of December 31, 2018, are detailed in the 2018 Form 10-K. There have been no material changes in these arrangements and obligations outside the ordinary course of business since December 31, 2018.

Environmental Regulation

There were no material changes in the Company's environmental regulatory requirements since the filing of its 2018 Form 10-K.

Critical Accounting Policies

As discussed in the 2018 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.

As a result of the early adoption of ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment* as discussed in **Note 1 – Significant Accounting Policies** in the Notes to Condensed Consolidated Financial Statements, the Company no longer uses the two-step goodwill impairment test described in the 2018 Form 10-K. Previously, the first step of the goodwill impairment test compared the fair value of a reporting unit with its carrying value. If the carrying amount exceeded fair value, a second step was performed to measure the implied fair value of goodwill and compare it with the carrying value of goodwill. Under the new standard, the second step is not performed; the goodwill impairment is simply measured as the carrying value of the reporting unit less its fair value, not to exceed the carrying value of goodwill. The Company applied the new standard in calculating the $137.2 million goodwill impairment recorded within the Fitness segment in the first quarter of 2019 as discussed in **Note 9 – Goodwill and Other Intangibles** in the Notes to Condensed Consolidated Financial Statements.

Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for the purposes of this impairment will prove to be an accurate prediction of the future.

Brunswick is currently working to separate the Fitness business, which could involve either a sale or spin-off transaction. There are several factors that could result in the need for an additional impairment charge. For example, the separation may result in a sale and proceeds may be different than our current assumptions, or the assumptions underlying the income approach may vary, including possible declines in future operating results. It is not possible to predict what the valuation outcome will be and how the facts and circumstances at the time will influence the Brunswick Board of Directors' final decision on the method of separation.

There were no further material changes in the Company's critical accounting policies since the filing of its 2018 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 March 30, 2019, 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," "goal," "seek," "estimate," "believe," "predict," "outlook," "anticipates" 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: the effect of adverse general economic conditions, including the amount of disposable income consumers have available for discretionary spending, tight consumer credit markets, and the level of consumer confidence on the demand for our products and services; our ability to successfully implement our strategic plan and growth initiatives; our ability to integrate targeted acquisitions, including the Global Marine & Mobile Business of Power Products; the possibility that the proposed Fitness business separation may not provide business benefits, or may not be consummated within the anticipated time period or at all; having to record an impairment to the value of goodwill and other assets; changes to U.S. trade policy and tariffs; the inability to identify and complete targeted acquisitions; the risk that strategic divestitures may not provide business benefits; the potential for disruption to our business in connection with the Fitness business separation or Power Products acquisition, making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred in connection with these transactions; the possibility that the expected synergies and value creation from these transactions will not be realized or will not be realized within the expected time period; negative currency trends, including shifts in exchange rates; fiscal policy concerns; adequate financing access for dealers and customers and our ability to access capital and credit markets; maintaining effective distribution; adverse economic, credit, and capital market conditions; loss of key customers; attracting and retaining skilled labor and implementing succession plans for key leadership; inventory reductions by dealers, retailers, or independent boat builders; requirements for us to repurchase inventory; actual or anticipated increases in costs, disruptions of supply, or defects in raw materials, parts, or components we purchase from third parties, including as a the result of new tariffs on raw materials, increased demand for shipping carriers, and transportation disruptions; higher energy and fuel costs; our ability to protect our brands and intellectual property; absorbing fixed costs in production; managing our manufacturing footprint; outages, breaches, or other cybersecurity events regarding our technology systems, which could result in lost or stolen information and associated remediation costs; our ability to meet pension funding obligations; managing our share repurchases; competitive pricing pressures; our ability to develop new and innovative products and services at a competitive price, in legal compliance with existing rules; maintaining product quality and service standards; product liability, warranty, and other claims risks; legal and regulatory compliance, including increased costs, fines, and reputational risks; changes in income tax legislation or enforcement; certain divisive shareholder activist actions; joint ventures that do not operate solely for our benefit; international business risks; and weather and catastrophic event risks.

Additional risk factors are included in the 2018 Form 10-K and under Part II, Item 1a, "Risk Factors," of this report. 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 quarterly report 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 5 – Financial Instruments** in the Notes to Condensed Consolidated Financial Statements and Notes 1 and 15 in the Notes to Consolidated Financial Statements in the 2018 Form 10-K.

There have been no significant changes to the Company's market risk since December 31, 2018. 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 2018 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. The Company implemented internal controls to ensure the adequate evaluation of all leases and proper assessment of the impact of the new leasing standard (ASC 842) on the financial statements to facilitate the adoption and implementation on January 1, 2019. There were no material changes to the Company's internal control over financial reporting due to the adoption of the new standard. 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 2018 Form 10-K, other than certain updates to the risk factor set forth below.

The anticipated Fitness business separation could be disruptive to the business and our operations, and there can be no assurance that it will provide business benefits or that it will be consummated within the anticipated time period or at all.

The Fitness business separation, whether a sale or spin-off transaction, like any business separation, involves risks, including difficulties associated with the separation of operations, services, and personnel, disruption in our operations or businesses, the potential loss of key employees, and adverse effects on relationships with business partners. In addition, we will incur significant expense in connection with the separation, and completion of the proposed transaction will require significant amounts of management time and effort, which may divert management's attention from other aspects of our business operations. If we do not successfully manage these risks, our business, financial condition, and results of operations could be adversely affected. Likewise, we cannot assure that we will be able to complete the business separation within the announced timeline, or at all. Unanticipated developments, including disruptions in general market conditions or other developments, could delay, prevent, or otherwise adversely affect the separation. Delays or failure to consummate the separation could negatively affect our business and financial results.

The proposed separation may not achieve the intended results, or results may take longer to realize than expected. The anticipated benefits of the separation are based on a number of factors that we cannot predict. In the first quarter of 2019, the Company recorded a $137.2 million ($103.0 million after tax) goodwill impairment within the Fitness segment. If the separation results in a sale, the proceeds may be different than our current assumptions, or the assumptions underlying the income approach may vary, including possible declines in future operating results, resulting in the need for an additional impairment charge. It is difficult to predict the valuation outcome in the event of a sale. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for the purposes of the first quarter impairment will prove to be an accurate prediction as of the time of the separation.

In addition to these risks, we face other risks specific to a spin-off of the Fitness business, as opposed to a sale, including the risk that a spin-off could result in significant tax liability to the Company or our shareholders, despite the steps we have taken to avoid this result. Completion of the spin-off is conditioned on our receipt of a written legal opinion to the effect that the distribution of Life Fitness common stock will qualify for non-recognition of gain and loss for U.S. Federal income tax purposes.

The legal opinion will not address any U.S. state or local or foreign tax consequences of the spin-off, and will rely on the continuing effectiveness and validity of the favorable private letter ruling (the "IRS Ruling") from the U.S. Internal Revenue Service (the "IRS") regarding such U.S. Federal income tax consequences of the spin-off. The Company has received the IRS Ruling, which relies on certain facts, assumptions, representations, and undertakings from the Fitness business and from Brunswick. If any of these facts, assumptions, representations, or undertakings are incorrect or not otherwise satisfied, we may not be able to rely on the IRS Ruling. In addition, the IRS ruling is not a comprehensive ruling from the IRS regarding all aspects of the U.S. Federal income tax consequences of the transactions. Accordingly, notwithstanding the legal opinion and the IRS Ruling, there can be no assurance that the IRS will not assert, or that a court would not sustain, a contrary position.

Further, the legal opinion will be based on certain representations as to factual matters from the Company and the Fitness business. The opinion cannot be relied on if any of the assumptions, representations, or covenants is incorrect, incomplete, or inaccurate, or is violated in any material respect. If the distribution of Life Fitness common stock were determined not to qualify for non-recognition of gain and loss for U.S. Federal income tax purposes, U.S. holders could be subject to significant tax consequences.

The final determination to proceed with a spin-off or sale is a decision of our Board of Directors, and this determination could have an adverse impact on the Company's financial results. There are many factors that could impact the structure or timing of, the anticipated benefits from, or determination to ultimately proceed with, the separation, including global economic conditions, tax considerations, market conditions, and changes in the regulatory or legal environment, any of which could adversely impact the value of the separation transaction to our shareholders. Additionally, the completion of the separation will be complex, costly, and time-consuming, and an inability to realize the full extent of the anticipated benefits, as well as delays encountered in the process, could have an adverse effect upon the revenues, costs, and operating results of the Company.

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 2019, the Company did not repurchase any stock under these authorizations and as of March 30, 2019, the remaining authorization was approximately $35 million.

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Item 6. Exhibits

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10.2*	2019 Performance Share Grant Terms and Conditions Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan
10.3*	2019 Performance Share Grant Terms and Conditions Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan --TSR Participants
10.4*	2019 Stock-Settled Restricted Stock Unit Grant Terms and Conditions for Select Key Employees Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan
10.5*	2019 Stock-Settled Restricted Stock Unit Grant Terms and Conditions Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan
10.6*	2019 Cash-Settled Restricted Stock Unit Grant Terms and Conditions Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan
10.7*	2019 Cash-Settled Restricted Stock Unit Grant Terms and Conditions for Select Key Employees Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan (the "Plan")
10.8*	2019 Stock-Settled Stock Appreciation Right Grant Terms and Conditions Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan
10.9*	Brunswick Corporation 2005 Automatic Deferred Compensation Plan As Amended and Restated
19.9	Third Supplemental Indenture, dated as of March 4, 2019, between the Company and U.S. Bank National Association, as Trustee, filed as Exhibit 4.2 to the Company's Current Report on Form 8-K as filed with the Securities and Exchange Commission on March 4, 2019, and hereby incorporated by reference
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 1, 2019

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.

BRUNSWICK

2019 Brunswick Performance Plan (BPP)
Summary Terms and Conditions

Purpose	Reward achievement of annual goals
Eligibility	Key managers identified on an individual basis. Employees must be hired prior to October 1, 2019, to be eligible for the current year's plan.
Performance Period	2019 fiscal year.
Performance Measures	Bonuses based 100% on achievement against the following financial measures as of the end of the performance period. * For Corporate-level and Business Acceleration employees, * 75% based on Earnings Per Share ("EPS" (ex. items)), and * 25% based on overall Brunswick Free Cash Flow ("FCF") * For Division participants, * 25% based on EPS (ex. items), * 25% based on overall Brunswick FCF, and * 50% based on applicable division Earnings Before Interest and Taxes ("EBIT"). FCF is consistent with external reporting definition. FCF, EPS (ex. items) and EBIT from continuing operations results for the year will be adjusted for: * Restructuring, exit, integration, and impairment costs (including debt issuance and extinguishment costs) and associated savings - variance from budget; * Acquisition/sale of “strategic” assets (e.g., transformational or material acquisitions) not contemplated in the budget; * Impact of any “unusual in nature” or “infrequently occurring” charges or impacts related to changes in accounting principles; * Impact of unplanned financing arrangements (including debt issuance, off-balance sheet and factoring); * Cash taxes--variance from budget; * Pension contributions--variance from budget; * Pension liability settlement or plan amendment related charges; * Impact of change in tax law or stutory rates--variance from budget; and * Unusual tax items (i.e., FIN 48, Discrete Tax Items, Valuation Allowance Reversals, etc.). Performance results may be adjusted, as appropriate, for extraordinary or unanticipated items. The Human Resources and Compensation Committee will determine the applicable performance goals and the bonuses payable upon attainment of such goals. 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: * CFO will review performance to evaluate required accruals; * CEO will review performance at end of performance period and recommend bonuses to the Human Resources and Compensation Committee as appropriate; and * 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. 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. In addition, if an employee retires later than June 30th of the performance period and after either the sum of the employee's age and years of continuous service from his or her latest hire date equals 70 or more or the employee's age is 62 or more, then, subject to prior approval by the Vice President and Chief Human Resources Officer or, in the case of the Corporation's executive officers, the Human Resources and Compensation Committee, in its sole discretion, such employee may be eligible for a prorated payout, based on the number of days of employment in the performance period completed prior to the date of retirement. Any awards payable in the event of termination due to death, permanent disability, as a result of restructuring activities or plant shutdown, or retirement 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 2020, 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, 2020. 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.

BRUNSWICK

2019 Performance Share Grant Terms and Conditions
Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan (the "Plan")

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	[_______ __, 2019]
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, 2019 and ending December 31, 2021.
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. 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.
Vesting Upon Death, Permanent Disability or Retirement (as defined below)	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 due to (i) death, (ii) Permanent Disability or (iii) Retirement (as defined below), 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." 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 due to (i) death, (ii) Permanent Disability or (iii) Retirement, 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 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. The Performance Shares shall be forfeited in their entirety upon any termination for Cause, even if the Grantee would otherwise be eligible for Retirement.

Prorated Vesting Upon Involuntary Termination Without Cause	If the Grantee's employment is terminated by Brunswick for a reason other than Cause or Permanent Disability, and the Grantee is not eligible for Retirement, a pro-rata portion of the award will be vested as of the date of such termination of employment and be distributed as of the third anniversary of the Grant Date. 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 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 1,095. All remaining Performance Shares shall be forfeited.
Other Terminations of Employment	The Performance Shares shall be forfeited in their entirety in the event the Grantee's employment terminates prior to the end of the Performance Period and prior to a Change in Control for a reason other than death, Permanent Disability (as defined below), Retirement or a termination by Brunswick for a reason other than Cause.
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: 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: In the event of Grantee's termination of employment (other than for Cause) (i) due to death or Permanent Disability, (ii) Retirement, 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 Retirement 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." 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." 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. The Performance Shares shall be forfeited in their entirety upon any termination for Cause, even if the Grantee would otherwise be eligible for Retirement.

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. 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). In all cases, fractional shares shall be rounded down to the nearest whole share.
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. "Cause" shall mean willful misconduct in the performance of duties. "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. 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. "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. "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. "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.

Additional Terms and Conditions	"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. "Retirement" shall mean that the Grantee's employment terminates for a reason other than Cause on or after the date on which either (i) the Grantee has either attained age 62 or (ii) the sum of the Grantee's age plus years of continuous service from his or her latest hire date equals 70 or more. Notwithstanding anything to the contrary in these terms and conditions, for purposes of applying the favorable Retirement vesting terms set forth herein to grants made to residents of the European Union, the Grantee shall be deemed to be eligible for Retirement if, and only if, the Grantee has attained the retirement date specified in the retirement plan in which such Grantee participates. 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. 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.

2019 Performance Share Grant
Appendix A - Performance Criteria

<table>
<tr><td rowspan="5">Annual Cash Flow Return on Investment (CFROI): Applicable to 75% of Performance Shares

CFROI defined as Adjusted Free Cash Flow divided by Operating Capital Employed.

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.

Operating Capital Employed defined as total assets less current liabilities excluding cash, debt, tax balances and lease assets and liabilities related to ASC 842. Operating Capital Employed will be calculated on a two point basis.

Adjusted Free Cash Flow and Operating Capital Employed will be adjusted for the following variances from plan:
* Acquisition/sale of “strategic” assets (e.g., transformational or material acquisitions) not contemplated in the plan;
* Restructuring, integration, and exit activities;
* Impact of unplanned financing arrangements (including debt issuance, off-balance sheet and factoring);
* Pension liability settlement or plan amendment changes;
* Impact of change in accounting standards; and
* Executive deferred compensation payouts not included in plan.

Performance results may be adjusted, as appropriate, for extraordinary or unanticipated items.</td><td></td><td>Payout as a % of Target (1)</td><td><u>2019 - 2021 Average</u></td></tr>
<tr><td>Threshold</td><td>0%</td><td>XX.X%</td></tr>
<tr><td>Target</td><td>100%</td><td>YY.Y%</td></tr>
<tr><td>Maximum</td><td>200%</td><td>ZZ.Z%</td></tr>
<tr><td></td><td></td><td></td></tr>
</table>

Annual Operating Margin: Applicable to 25% of Performance Shares		**Payout as a % of Target [1]**	**<u>2019 - 2021 Average</u>**
Operating Margin defined as Operating Earnings (ex. items) divided by Sales. Operating Earnings and Sales are consistent with reporting definitions. Operating Earnings (on an ex. items basis) and Sales will be adjusted for the following variances from plan**:** * Acquisition/sale of "strategic" assets (e.g., transformational or material acquisitions) not contemplated in the plan; * Restructuring, exit, integration and impairment activities; * Impact of any "unusual in nature" or "infrequently occurring" charges or impacts related to changes in accounting principles; * Impact of unplanned financing arrangements (including debt issuance, off-balance sheet and factoring); and * Pension liability settlement or plan amendment related charges. Performance results may be adjusted, as appropriate, for extraordinary or unanticipated items.	Threshold	0%	X.X%
	Target	100%	Y.Y%
	Maximum	200%	Z.Z%

(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
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26125 N. Riverwoods Blvd.
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Mettawa, Illinois 60045
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lesley.harling@brunswick.com

BRUNSWICK

2019 Performance Share Grant Terms and Conditions
Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan (the "Plan")

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	[_______ __, 2019]
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, 2019 and ending December 31, 2021.
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. 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. 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. 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%. 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. 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. See Appendix A attached hereto for the definitions of "TSR Performance" and "TSR Comparator Group." 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.

Vesting Upon Death, Permanent Disability or Retirement (as defined below)	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 due to (i) death, (ii) Permanent Disability or (iii) Retirement (as defined below), 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." 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 due to (i) death, (ii) Permanent Disability or (iii) Retirement, 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 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. The Performance Shares shall be forfeited in their entirety upon any termination for Cause, even if the Grantee would otherwise be eligible for Retirement.
Prorated Vesting Upon Involuntary Termination Without Cause	If the Grantee's employment is terminated by Brunswick for a reason other than Cause or Permanent Disability, and the Grantee is not eligible for Retirement, a pro-rata portion of the award will be vested as of the date of such termination of employment and be distributed as of the third anniversary of the Grant Date. 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 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 1,095. All remaining Performance Shares shall be forfeited.
Other Terminations of Employment	The Performance Shares shall be forfeited in their entirety in the event the Grantee's employment terminates prior to the end of the Performance Period and prior to a Change in Control for a reason other than death, Permanent Disability (as defined below), Retirement or a termination by Brunswick for a reason other than Cause.

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: 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: In the event of Grantee's termination of employment (other than for Cause) (i) due to death or Permanent Disability, (ii) Retirement, 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 Retirement 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." 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." 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. The Performance Shares shall be forfeited in their entirety upon any termination for Cause, even if the Grantee would otherwise be eligible for Retirement.
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. 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). In all cases, fractional shares shall be rounded down to the nearest whole share.
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. "Cause" shall mean willful misconduct in the performance of duties. "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. 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. "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. "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. "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.

Additional Terms and Conditions	"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. "Retirement" shall mean that the Grantee's employment terminates for a reason other than Cause on or after the date on which either (i) the Grantee has either attained age 62 or (ii) the sum of the Grantee's age plus years of continuous service from his or her latest hire date equals 70 or more. Notwithstanding anything to the contrary in these terms and conditions, for purposes of applying the favorable Retirement vesting terms set forth herein to grants made to residents of the European Union, the Grantee shall be deemed to be eligible for Retirement if, and only if, the Grantee has attained the retirement date specified in the retirement plan in which such Grantee participates. 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. 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.

2019 Performance Share Grant
Appendix A - Performance Criteria

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Operating Capital Employed defined as total assets less current liabilities excluding cash, debt, tax balances and lease assets and liabilities related to ASC 842. Operating Capital Employed will be calculated on a two point basis.

Adjusted Free Cash Flow and Operating Capital Employed will be adjusted for the following variances from plan:
* Acquisition/sale of “strategic” assets (e.g., transformational or material acquisitions) not contemplated in the plan;
* Restructuring, integration, and exit activities;
* Impact of unplanned financing arrangements (including debt issuance, off-balance sheet and factoring);
* Pension liability settlement or plan amendment changes;
* Impact of change in accounting standards; and
* Executive deferred compensation payouts not included in plan.

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Annual Operating Margin: Applicable to 25% of Performance Shares		**Payout as a % of Target [(1)]**	**<u>2019 - 2021 Average</u>**
Operating Margin defined as Operating Earnings (ex. items) divided by Sales. Operating Earnings and Sales are consistent with reporting definitions. Operating Earnings (on an ex. items basis) and Sales will be adjusted for the following variances from plan**:** * Acquisition/sale of "strategic" assets (e.g., transformational or material acquisitions) not contemplated in the plan; * Restructuring, exit, integration and impairment activities; * Impact of any "unusual in nature" or "infrequently occurring" charges or impacts related to changes in accounting principles; * Impact of unplanned financing arrangements (including debt issuance, off-balance sheet and factoring); and * Pension liability settlement or plan amendment related charges. Performance results may be adjusted, as appropriate, for extraordinary or unanticipated items.	Threshold Target Maximum	0% 100% 200%	X.X% Y.Y% Z.Z%

(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
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BRUNSWICK

2019 Stock-Settled Restricted Stock Unit Grant Terms and Conditions for Select Key Employees 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	____________, 2019
Award	____________ Restricted Stock Units.
Normal Vesting	Restricted Stock Units will vest and be distributed three years after the Grant Date, subject to continued employment through such date.
Prorated Vesting Upon Involuntary Termination Without Cause	If the Grantee's employment is terminated by Brunswick for a reason other than Cause or Permanent Disability, a pro-rata portion of the award will be vested as of the date of such termination of employment and be distributed as of the third anniversary of the Grant Date. For purposes of the foregoing sentence, a pro-rata portion will mean the product of (i) the number of Restricted Stock Units awarded that would have vested on the normal vesting date and (ii) a fraction, the numerator of which is the number of days that have elapsed since the Date of Grant through the date of termination of the Grantee's employment, and the denominator of which is 1,095.
Vesting Upon Death or Permanent Disability	In the case of a termination of employment due to death or a Permanent Disability, the award will become fully vested and distributed as of the date of such death or Permanent Disability.
Vesting Upon Termination After Change in Control	If the award is effectively assumed or continued by the surviving or acquiring corporation in a Change in Control and (i) Brunswick terminates the Grantee's employment without Cause or (ii) the Grantee resigns for Good Reason (as defined below), then in each case all of the award will be vested and distributed as of the date of 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 (A) the Change in Control was not a change in control event within the meaning of Internal Revenue Code Section 409A or (B) 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 after the Grant Date. ▪ If the award is not effectively assumed or continued by the surviving or acquiring corporation in a Change in Control, the award shall vest in full and be distributed as of the date of the Change in Control; 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 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 after the Grant Date. ▪ 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.

Forfeiture Upon Termination	Except as otherwise provided herein, Restricted Stock Units will be forfeited upon a termination of employment prior to vesting. The Restricted Stock Units shall be forfeited in their entirety upon any termination for Cause.
Timing and Form of Distribution	Upon distribution, shares will be deposited to Grantee's brokerage account on record with Shareholder Services. Distributions will occur as soon as practical, but no later than 30 days after the distribution date provided above, except that if the Grantee is a "specified employee" (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).
Tax Withholding	For those whose employment is terminated by Brunswick for a reason other than Cause or Permanent Disability prior to the year of a scheduled distribution, tax withholding liability to meet required FICA must be paid via payroll or participant check by the end of the year of such termination. Subsequent Federal, state and local income tax withholding must be paid via share reduction upon distribution. For all others, tax withholding liability (to meet required FICA, Federal, state, and local withholding) must be paid via share reduction upon distribution.

Definitions	"Cause" shall mean the Grantee's willful misconduct in the performance of his or her duties. "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. For purposes of this definition: 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. "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. "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. "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. "Permanent Disability" means the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

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. 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. 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.

For questions and or a copy of the Prospectus, plea*se contact:* *Lesley Harling,*
Shareholder Services
Brunswick Corporation
26125 N. Riverwoods Blvd.
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BRUNSWICK

2019 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	____________, 2019
Award	____________ Restricted Stock Units.
Normal Vesting	Restricted Stock Units will vest and be distributed three years after the Grant Date, subject to continued employment through such date.
Vesting Upon Retirement (as defined below)	Upon a termination of employment due to Retirement (as defined below) on or after the first anniversary of the Grant Date, and prior to a Change in Control (as defined in the Plan), all of the award will become fully vested as of the date of Retirement and be distributed as of the third anniversary of the Grant Date. Upon a termination of employment due to Retirement prior to the first anniversary of the Grant Date, and prior to a Change in Control, a pro-rata portion of the award will be vested as of the date of Retirement and be distributed as of the third anniversary of the Grant Date. For purposes of the foregoing sentence, a pro-rata portion will mean the product of (i) the number of restricted stock units awarded that would have vested on the normal vesting date and (ii) 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 Grantee's employment, provided such number does not exceed 365, and the denominator of which is 365. The award shall be forfeited in its entirety upon a termination for Cause, even if the Grantee would otherwise be eligible for Retirement.
Prorated Vesting Upon Involuntary Termination Without Cause	If the Grantee's employment is terminated by Brunswick for a reason other than Cause or Permanent Disability, and the Grantee is not eligible for Retirement, a pro-rata portion of the award will be vested as of the date of such termination of employment and be distributed as of the third anniversary of the Grant Date. For purposes of the foregoing sentence, a "pro-rata portion" will mean the product of (i) the number of Restricted Stock Units awarded that would have vested on the normal vesting date and (ii) a fraction, the numerator of which is the number of days that have elapsed since the Date of Grant through the date of termination of the Grantee's employment, and the denominator of which is 1,095.
Vesting Upon Death or Permanent Disability	In the case of a termination of employment due to death or a Permanent Disability, the award will become fully vested and distributed as of the date of such death or Permanent Disability.

Vesting Upon Termination After Change in Control	If the award is effectively assumed or continued by the surviving or acquiring corporation in a Change in Control and (i) Brunswick terminates the Grantee's employment without Cause or (ii) the Grantee resigns for Good Reason (as defined below), then in each case all of the award will be vested and distributed as of the date of 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 (A) the Change in Control was not a "change in control event" within the meaning of Internal Revenue Code Section 409A or (B) 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 after the Grant Date. If the award is not effectively assumed or continued by the surviving or acquiring corporation in a Change in Control, the award shall vest in full and be distributed as of the date of the Change in Control; 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 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 after the Grant Date. 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.
Forfeiture Upon Termination	Except as otherwise provided herein, Restricted Stock Units will be forfeited upon a termination of employment prior to vesting.
Timing and form of Distribution	Upon distribution, shares will be deposited to Grantee's brokerage account on record with Shareholder Services. Distributions will occur as soon as practical, but no later than 30 days after the distribution date provided above, except that if the Grantee is a "specified employee" (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).
Tax Withholding	For those becoming eligible for Retirement or whose employment is terminated by Brunswick for a reason other than Cause or Permanent Disability prior to the year of a scheduled distribution, tax withholding liability to meet required FICA must be paid via payroll or participant check by the end of the year of becoming eligible for Retirement or terminating employment, as the case my be, except that the FICA taxes on amounts vesting during the first December after grant for those who have become eligible for Retirement 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. For all others, tax withholding liability (to meet required FICA, Federal, state, and local withholding) must be paid via share reduction upon distribution.

Definitions	"Cause" shall mean the Grantee's willful misconduct in the performance of his or her duties. "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. For purposes of this definition: 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. "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. "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. "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. "Permanent Disability" means the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months. "Retirement" shall mean that the Grantee's employment terminates for a reason other than Cause on or after the date on which either (i) the Grantee has either attained age 62 or (ii) the sum of the Grantee's age plus years of continuous service from his or her latest hire date equals 70 or more. Notwithstanding anything to the contrary in these terms and conditions, for purposes of applying the favorable Retirement vesting terms set forth herein to grants made to residents of the European Union, the Grantee shall be deemed to be eligible for Retirement if, and only if, the Grantee has attained the retirement date specified in the retirement plan in which such Grantee participates.

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. 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. 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:

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BRUNSWICK

2019 Cash-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.
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	_____________, 2019
Award	____________ Cash-settled Restricted Stock Units.
Normal Vesting	Cash-settled Restricted Stock Units will vest and be distributed three years after the Grant Date, subject to continued employment through such date.
Vesting Upon Retirement (as defined below)	Upon a termination of employment due to Retirement (as defined below) on or after the first anniversary of the Grant Date, and prior to a Change in Control (as defined in the Plan), all of the award will become fully vested as of the date of Retirement and be distributed as of the third anniversary of the Grant Date. Upon a termination of employment due to Retirement prior to the first anniversary of the Grant Date, and prior to a Change in Control, a pro-rata portion of the award will be vested as of the date of Retirement and be distributed as of the third anniversary of the Grant Date. For purposes of the foregoing sentence, a "pro-rata portion" will mean the product of (i) the number of restricted stock units awarded that would have vested on the normal vesting date and (ii) 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 Grantee’s employment, provided such number does not exceed 365, and the denominator of which is 365. The award shall be forfeited in its entirety upon a termination for Cause, even if the Grantee would otherwise be eligible for Retirement.
Prorated Vesting Upon Involuntary Termination Without Cause	If the Grantee’s employment is terminated by Brunswick for a reason other than Cause or Permanent Disability, a pro-rata portion of the award will be vested as of the date of such termination of employment and be distributed as of the third anniversary of the Grant Date. For purposes of the foregoing sentence, a "pro-rata portion" will mean the product of (i) the number of Restricted Stock Units awarded that would have vested on the normal vesting date and (ii) a fraction, the numerator of which is the number of days that have elapsed since the Date of Grant through the date of termination of the Grantee’s employment, and the denominator of which is 1,095.
Vesting Upon Death or Permanent Disability	In the case of a termination of employment due to death or a Permanent Disability, the award will become fully vested and distributed as of the date of such death or Permanent Disability.

Vesting Upon Termination After Change in Control	If the award is effectively assumed or continued by the surviving or acquiring corporation in a Change in Control and (i) Brunswick terminates the Grantee's employment without Cause or (ii) the Grantee resigns for Good Reason (as defined below), then in each case all of the award will be vested and distributed as of the date of 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 (A) the Change in Control was not a "change in control event" within the meaning of Internal Revenue Code Section 409A or (B) 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 after the Grant Date. If the award is not effectively assumed or continued by the surviving or acquiring corporation in a Change in Control, the award shall vest in full and be distributed as of the date of the Change in Control; 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 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 after the Grant Date. 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.
Forfeiture Upon Termination	Except as otherwise provided herein, Cash-settled Restricted Stock Units will be forfeited upon a termination of employment prior to vesting.
Timing and Form of Distribution	Distribution will be in the form of a cash payment in an amount equal to the number of Cash-Settled Restricted Stock Units multiplied by the Fair Market Value of a share of Stock at the time of distribution, less applicable withholding. Distributions will occur as soon as practical, but no later than 30 days after the distribution date provided above, except that if the Grantee is a "specified employee" (as such term is defined under Internal Revenue Code Section 409A) as of the date of his or her "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).
Tax Withholding	For those whose employment is terminated by Brunswick for a reason other than Cause or Permanent Disability prior to the year of a scheduled distribution, tax withholding liability to meet required FICA must be paid via payroll or participant check by the end of the year of such termination. Subsequent Federal, state and local income tax withholding must be paid via share reduction upon distribution. For all others, tax withholding liability (to meet required FICA, Federal, state, and local withholding) must be paid via share reduction upon distribution.

Definitions	"Cause" shall mean the Grantee's willful misconduct in the performance of his or her duties. "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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"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. "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. "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. "Permanent Disability" means the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months. "Retirement" shall mean that the Grantee's employment terminates for a reason other than Cause on or after the date on which either (i) the Grantee has either attained age 62 or (ii) the sum of the Grantee's age plus years of continuous service from his or her latest hire date equals 70 or more. Notwithstanding anything to the contrary in these terms and conditions, for purposes of applying the favorable Retirement vesting terms set forth herein to grants made to residents of the European Union, the Grantee shall be deemed to be eligible for Retirement if, and only if, the Grantee has attained the retirement date specified in the retirement plan in which such Grantee participates.

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. 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. 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:

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BRUNSWICK

2019 Cash-Settled Restricted Stock Unit Grant Terms and Conditions for Select Key Employees 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.
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	_____________, 2019
Award	____________ Cash-settled Restricted Stock Units.
Normal Vesting	Cash-settled Restricted Stock Units will vest and be distributed three years after the Grant Date, subject to continued employment through such date.
Prorated Vesting Upon Involuntary Termination Without Cause	If the Grantee's employment is terminated by Brunswick for a reason other than Cause or Permanent Disability, a pro-rata portion of the award will be vested as of the date of such termination of employment and be distributed as of the third anniversary of the Grant Date. For purposes of the foregoing sentence, a pro-rata portion will mean the product of (i) the number of Restricted Stock Units awarded that would have vested on the normal vesting date and (ii) a fraction, the numerator of which is the number of days that have elapsed since the Date of Grant through the date of termination of the Grantee's employment, and the denominator of which is 1,095.
Vesting Upon Death or Permanent Disability	In the case of a termination of employment due to death or a Permanent Disability, the award will become fully vested and distributed as of the date of such death or Permanent Disability.
Vesting Upon Termination After Change in Control	If the award is effectively assumed or continued by the surviving or acquiring corporation in a Change in Control and (i) Brunswick terminates the Grantee's employment without Cause or (ii) the Grantee resigns for Good Reason (as defined below), then in each case all of the award will be vested and distributed as of the date of 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 (A) the Change in Control was not a "change in control event" within the meaning of Internal Revenue Code Section 409A or (B) 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 after the Grant Date. If the award is not effectively assumed or continued by the surviving or acquiring corporation in a Change in Control, the award shall vest in full and be distributed as of the date of the Change in Control; 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 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 after the Grant Date. 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.

Forfeiture Upon Termination	Except as otherwise provided herein, Cash-settled Restricted Stock Units will be forfeited upon a termination of employment prior to vesting. The Cash-settled Restricted Stock Units shall be forfeited in their entirety upon any termination for Cause.
Timing and Form of Distribution	Distribution will be in the form of a cash payment in an amount equal to the number of Cash-Settled Restricted Stock Units multiplied by the Fair Market Value of a share of Stock at the time of distribution, less applicable withholding. Distributions will occur as soon as practical, but no later than 30 days after the distribution date provided above (and, in no event later than March 15, 2022), except that if the Grantee is a "specified employee" (as such term is defined under Internal Revenue Code Section 409A) as of the date of his or her "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).
Tax Withholding	For those whose employment is terminated by Brunswick for a reason other than Cause or Permanent Disability prior to the year of a scheduled distribution, tax withholding liability to meet required FICA must be paid via payroll or participant check by the end of the year of such termination. Subsequent Federal, state and local income tax withholding must be paid via share reduction upon distribution. For all others, tax withholding liability (to meet required FICA, Federal, state, and local withholding) must be paid via share reduction upon distribution.

Definitions	"Cause" shall mean the Grantee's willful misconduct in the performance of his or her duties. "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. For purposes of this definition: 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. "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. "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. "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. "Permanent Disability" means the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months. "Retirement" shall mean that the Grantee's employment terminates for a reason other than Cause on or after the date on which either (i) the Grantee has either attained age 62 or (ii) the sum of the Grantee's age plus years of continuous service from his or her latest hire date equals 70 or more. Notwithstanding anything to the contrary in these terms and conditions, for purposes of applying the favorable Retirement vesting terms set forth herein to grants made to residents of the European Union, the Grantee shall be deemed to be eligible for Retirement if, and only if, the Grantee has attained the retirement date specified in the retirement plan in which such Grantee participates.

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. 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. 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.

* * * * *

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

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BRUNSWICK

2019 Stock-Settled Stock Appreciation Right Grant Terms and Conditions
Pursuant to the Brunswick Corporation 2014 Stock Incentive Plan (the "Plan")

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. 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	___________, 2019
Award	____________ Stock-Settled SARs
Normal Vesting	One-fourth of the Stock-Settled SARs granted shall vest and become exercisable on each fo 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.
Vesting or Prorated Vesting Upon Retirement (as defined below)	Upon a termination of employment due to Retirement (as defined below) on or after the first anniversary of the Grant Date, and prior to a Change in Control (as defined in the Plan), vesting will continue on the normal vesting schedule described immediately above. Upon a termination of employment due to Retirement prior to the first anniversary of the Grant Date, and prior to a Change in Control, a pro-rata portion of the award will become vested and exercisable. 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. The award shall be forfeited in its entirety upon a termination for Cause, even if the Grantee would otherwise be eligible for Retirement.
Prorated Vesting Upon Involuntary Termination Without Cause	If the Grantee's employment is terminated by Brunswick for a reason other than Cause or Permanent Disability, and the Grantee is not eligible for Retirement, a pro-rata portion of the award scheduled to vest on the next scheduled vesting date will become vested and exercisable as of the date such termination of employment. For purposes of the foregoing sentence, a "pro-rata portion" will mean the product of (i) the number of share underlying the Stock-Settled SAR award that would have vested on the next scheduled vesting date had employment continued through such date and (ii) a fraction, not greater than 365/365, the numerator of which is the number of days that have elapsed since January 1st of the year in which the most recent vesting date occurred (or, if the termination occurs prior to the first vesting date, January 1st of the year in which the Date of Grant occurred) through the date of termination of the Grantee's employment, and the denominator of which is 365.
Vesting Upon Death or Permanent Disability	The award shall vest on death or termination due to Permanent Disability.

Vesting Upon Termination After Change in Control	If the award is effectively assumed or continued by the surviving or acquiring corporation in a Change in Control and (i) the Grantee's employment terminated due to Retirement (and not for Cause or due to death or Permanent Disability), (ii) the Grantee resigns for Good Reason (as defined below), then in each case all of the award will be vested and distributed as of the date of such termination of employment. If the award is not effectively assumed or continued by the surviving or acquiring corporation in a Change in Control, the award shall vest in full aas of the date of the Change in Control. 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.
Grant Term	Vested Stock-Settled SARs will remain exercisable as follows: ▪ Until the termination of employment, if involuntarily terminated for Cause, including any termination for Cause of an employee who would otherwise be eligible for Retirement, or ▪ Based on eligibility as of the last day employed, the latest of the following: *30 days after voluntary termination; *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; *Two years after termination following a Change in Control; *Five years after termination due to death or Permanent Disability; or *Five years after termination of employment due to Retirement. ▪ 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: The difference between the Fair Market Value on date of exercise and the per share exercise price will be determined. This difference will be multiplied by the number of Stock-Settled SARs being exercised to determine the total dollar gain. The total dollar gain will be divided by the Fair Market Value on date of exercise. 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. Tax withholding liability (to meet required FICA, federal, state, and local withholding) can be paid in any combination of the following: * Reduction in shares delivered to accommodate the required minimum tax withholding, or * Cash or check.

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. "Cause" shall mean the Grantee's willful misconduct in the performance of his or her duties. "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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"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. 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	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. 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.

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

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BRUNSWICK CORPORATION 2005 AUTOMATIC DEFERRED COMPENSATION PLAN

As Amended and Restated (Effective January 1, 2018)

SECTION 1

General

1.1 Purpose. The Brunswick Corporation 2005 Automatic Deferred Compensation Plan (the Plan) was previously established by Brunswick Corporation (the Company) to provide for the deferral of compensation payable to Covered Executives by the Company and Related Companies that would otherwise be non-deductible by reason of section 162(m) of the Code, and thereby avoid the loss of such deduction, and to compensate the Covered Executives for such deferral. The Plan applies to the deferral of amounts that are earned or become vested after December 31, 2004. The Brunswick Corporation Automatic Deferred Compensation Plan (the Prior Plan) shall apply to the deferral of amounts that are earned or become vested on or before December 31, 2004. The following provisions constitute an amendment and restatement of the Plan, effective as of January 1, 2018, which has been adopted for the purpose of ceasing future deferrals under the Plan, to the extent permitted under Section 409A of the Code, in connection with the amendments to Section 162(m) of the Code included in the Tax Cuts and Jobs Act of 2017.

1.2 For purposes of the Plan, the term Code means the Internal Revenue Code of 1986, as amended. References to sections of the Code also refer to any successor provisions thereof. If, after the Effective Date, there is a change in the provisions or interpretation of Code sections 162(m) or 409A which would have a material effect on the benefits of the Plan to a Covered Executive or the Company, the Company shall revise the Plan in good faith to preserve the benefits of the Plan for the Company, the Related Companies, and the Covered Executives; provided, however, that if any change to the Plan pursuant to this sentence is adverse to a Covered Executive, the Covered Executive shall be provided with reasonable compensation therefore.

1.3 Effective Date. The Effective Date of this amendment and restatement of the Plan is January 1, 2018.

1.4 Related Companies. The term Related Companies means any company during any period in which compensation paid to a Covered Executive by such company would be required to be aggregated with compensation paid to the Covered Executive by the Company, in accordance with the affiliated group rules applicable to Code section 162(m). The Company shall enter into such arrangements with the Related Companies as it shall deem appropriate to implement the terms of the Plan, and shall inform the Covered Executive of any material failure to provide for such implementation.

1.5 Operation and Administration. The authority to control and manage the operation and administration of the Plan shall be vested in the Human Resources and Compensation Committee (the Committee) of the Board of Directors of the Company (the Board). In controlling and managing the operation and administration of the Plan, the Committee shall have the rights, powers and duties set forth in Section 6. Capitalized terms in the Plan shall be defined as set forth in the Plan.

1.6 Applicable Law. The Plan shall be construed and administered in accordance with the laws of the State of Illinois to the extent that such laws are not preempted by the laws of the United States of America.

1.7 Number. Where the context admits words in the singular shall include the plural and the plural shall include the singular.

1.8 Notices. Any notice or document required to be filed with the Committee under the Plan will be properly filed if delivered or mailed to the Human Resources and Compensation Committee, in care of the Company, at its principal executive offices. The Committee may, by advance written notice to affected persons, revise such notice procedure from time to time. Any notice required under the Plan may be waived by the person entitled to notice.

1.9 Benefits Under Qualified Plans. Compensation of any Covered Executive that is deferred under the Plan, and benefits payable under the Plan, shall be disregarded for purposes of determining the benefits under any plan that is intended to be qualified under section 401(a) of the Code.

1.10 Other Costs and Benefits. The Plan is intended to defer, but not to eliminate, payment of compensation to a Covered Executive. Accordingly, if any compensation or benefits that would otherwise be provided to a Covered Executive in the absence of the Plan are reduced or eliminated by reason of deferral under the Plan, the Company shall equitably compensate the Covered Executive for such reduction or elimination, and the Company shall reimburse the Covered Executive for any increased or additional penalty taxes which the Covered Executive may incur by reason of deferral under the Plan which would not have been incurred in the absence of such deferral. In the event a Covered Executive is entitled to reimbursement pursuant to the preceding sentence, such reimbursement shall be made no later than the last day of the taxable year following the taxable year in which the penalty taxes are paid. Notwithstanding the foregoing provisions, no reimbursement will be made for taxes resulting from an increase or decrease in individual income tax rates, or resulting from an increase in the amount of compensation payable to the Covered Executive by reason of the accrual of earnings or any other provision of the Plan.

1.11 Evidence. Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information which the person acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.

1.12 Action by Company. Any action required or permitted to be taken by the Company or any Related Company shall be by resolution of its board of directors, or by a duly authorized officer of the Company or Related Company, as the case may be.

1.13 Withholding. Except as otherwise provided by the Committee, (i) the deduction of withholding and any other taxes required by law will be made from all amounts paid in cash and (ii) in the case of payments in shares of common stock of the Company (Company Stock), the Participant shall be required to pay in cash the amount of any taxes required to be withheld prior to receipt of such Company Stock, or alternatively, a number of shares of Company Stock the Fair Market Value (defined below) of which equals the amount required to be withheld may be deducted from the payment; provided, however, that the number of shares of Company Stock so deducted may not have an aggregate Fair Market Value in excess of the amount determined by applying the minimum statutory withholding rate. Fair Market Value means the closing price on the New York Stock Exchange - Composite Transactions Tape on the relevant date or on the next preceding date on which a closing price was quoted; provided, however, that the Committee may specify some other definition of Fair Market Value.

1.14 Adjustments. In the event of any increase or decrease in the number of issued shares of Company Stock resulting from a subdivision or consolidation of shares or other capital adjustment, or the payment of a stock dividend or other increase or decrease in shares, effected without receipt of consideration by the Company, or other change in corporate or capital structure, the number and class of securities distributable under this Plan and the number of share units in Participants' Automatic Stock Deferral Accounts shall be appropriately adjusted by the Committee; provided, however, that any fractional shares resulting from any such adjustment shall be eliminated. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

SECTION 2

Participation

2.1 Covered Executives. Subject to the terms of the Plan, an individual shall be a Covered Executive subject to the deferral requirements of the Plan for any year, if, for that year, the individual is a covered employee with respect to the Company, as that term is used in Code section 162(m)(3). The provisions of the Plan shall not apply to any

employee to the extent that the employee is subject to an individual agreement with the Company providing for automatic deferral of compensation to avoid non-deductibility of compensation by reason of Code section 162(m).
2.2 Plan Not Contract of Employment. The Plan does not constitute a contract of employment, and participation in the Plan will not give any employee the right to be retained in the employ of the Company nor any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan.

SECTION 3

Automatic Deferral

3.1 Deferred Amount. If the Company determines at any time during a calendar year that a Covered Executive's total compensation from the Company or a Related Company that is not exempt from Code section 162(m) (Nonexempt Compensation) is expected to exceed $1,500,000 for such calendar year, then the amount of Nonexempt Compensation otherwise payable to the Covered Executive in such calendar year shall not be paid when otherwise due, but shall instead be credited to the Covered Executive's Automatic Cash Deferral Account or Automatic Stock Deferral Account in accordance with this Section 3. In determining the amounts subject to deferral under this subsection 3.1, the following shall apply:

a. To the extent that the Nonexempt Compensation is otherwise payable in cash to a Covered Executive, payment of such cash shall be deferred under the Automatic Cash Deferral Account, in accordance with this Section 3.
b. To the extent that the Nonexempt Compensation is otherwise payable in Company Stock, delivery of those shares shall be deferred under the Automatic Stock Deferral Account, in accordance with this Section 3.
c. Nothing in the Plan shall be construed to require a deferral of the Covered Executive's salary or any compensation or benefits payable to the Covered Executive in a form other than cash or Company Stock.
d. No compensation earned on or after January 1, 2018 shall be deferred under the Plan, except for Nonexempt Compensation payable pursuant to a written binding agreement in effect as of January 1, 2018 that vests and becomes payable after such date, or as otherwise required under Section 409A of the Code.

3.2 Automatic Cash Deferral Account. The Automatic Cash Deferral Account balance shall be credited with all Nonexempt Compensation otherwise payable to the Covered Executive in cash, other than salary, as of the date on which such amount would otherwise have been paid to the Covered Executive. The Automatic Cash Deferral Account shall be adjusted from time to time in accordance with the following:

a. Unless a Covered Executive makes an election at such time and in such form as may be determined by the Committee from time to time to have paragraph (b) next below apply, the Automatic Cash Deferral Account shall be credited as of the last day of each calendar month with interest for that month at a rate equal to the greater of: (a) the prime rate in effect at JPMorgan Chase on the first day of the month plus two percentage points, or (b) the Company's short-term borrowing rate.
b. If a Covered Executive elects application of this paragraph (b), the Company, after consultation with the Covered Executive, may invest amounts credited to the Covered Executive's Automatic Cash Deferral Account in securities and other assets as the Company may determine. The Company and its agents shall not incur any liability by reason of purchasing, or failing to purchase, any security or other asset in good faith. A Covered Executive's Automatic Cash Deferral Account shall be charged or credited as of the last day of each fiscal year of the Company, and at such other times as the balance in the Automatic Cash Deferral Account shall be determined, to reflect (i) dividends, interest or other earnings on any such investments, reduced by the cost of funds (for the period of deferral) for the amount of any taxes incurred by the Company with respect thereto; (ii) any gains or losses (whether or not realized) on such investment; (iii) the cost of funds (for the period of deferral) for the amount of any taxes incurred with respect to net gains realized on any such investments, taking into account any applicable capital loss carryovers and carrybacks, provided that in computing such taxes, capital gains and losses on assets of the Company other than such investments shall be disregarded; and (iv) any direct expenses incurred by the Company in such fiscal year or other applicable period which would not have been incurred but for the investment of

amounts pursuant to the provisions of this paragraph (b) (provided that this clause (iv) shall not be construed to permit a reduction for the cost of taxes).

3.3 Automatic Stock Deferral Account. The Automatic Stock Deferral Account balance shall be credited with the number of share units equal to number of shares of Company Stock as of the date on which such shares would otherwise have been paid to a Covered Executive as Nonexempt Compensation. The Automatic Stock Deferral Account shall be adjusted from time to time to reflect the deemed reinvestment of dividends in accordance with the terms of the Company's dividend reinvestment program, as in effect from time to time.

3.4 Statements. On a quarterly basis, the Committee shall provide the Covered Executive with statements of the Covered Executive's Automatic Cash Deferral Account and Automatic Stock Deferral Account. Upon request of a Covered Executive, the Committee shall provide the computations of amounts under Sections 3 and 4.

SECTION 4

Distributions

4.1 Time of Distribution From Accounts.

a. Distribution of Nondeferred Amounts. As of December 15th of each calendar year in which any Nonexempt Compensation is credited to a Covered Executive's Automatic Cash Deferral Account or Automatic Stock Deferral Account pursuant to Section 3.2 or 3.3 hereof, the Company shall determine the aggregate amount of Nonexempt Compensation paid or payable to the Covered Executive for such calendar year. Any amounts credited to the Covered Executive's Automatic Cash Deferral Account or Automatic Stock Deferral Account for such calendar year shall be distributed to the Covered Executive on or before December 31st of such calendar year to the extent such distributions can be made without causing the Covered Executive's aggregate Nonexempt Compensation for such calendar year to exceed $1,500,000, and the remainder of the amounts credited to the Covered Executive's Automatic Cash Deferral Account and Automatic Stock Deferral Account shall be distributed to the Covered Executive in accordance with Section 4.1(b). Unless the Committee or its delegate determines otherwise, the amounts distributed pursuant to this Section 4.1(a) for a calendar year shall be distributed from the Covered Executive's Automatic Cash Deferral Account and Automatic Stock Deferral Account in the same proportion by which Nonexempt Compensation was credited to such accounts during such calendar year. The number of shares of Company Stock distributed from the Covered Executive's Automatic Stock Deferral Account pursuant to this Section 4.1(a) shall be determined based on the Fair Market Value of a share of Company Stock as of December 15th of the applicable calendar year, as determined in accordance with the terms of the Company's 2014 Stock Incentive Plan, or any successor thereto.
b. Distribution of Deferred Amounts. Amounts credited to a Covered Executive's Automatic Cash Deferral Account and Automatic Stock Deferral Account (and not previously distributed to the Covered Executive pursuant to Section 4.1(a), above) shall be paid or distributed upon the earlier of the following:

(i) To the extent provided by the Secretary of the Treasury under Code section 409A, as soon as practicable (within 90 days) after a change in control (as defined under Code section 409A; provided, however, in no event shall an acquisition of assets under Treasury Regulation 1.409A-3(i)(5)(vii) constitute a change in control event, unless such event is also a sale or disposition of all or substantially all of the Company's assets).

(ii) six months after the date the Covered Executive ceases to be employed by the Company and all Related Companies.

4.2 Form of Payment of Deferred Amount. To the extent that an amount is payable to or on behalf of a Covered Executive with respect to the Automatic Cash Deferral Account in accordance with subsection 3.2, it shall be paid by the Company in a cash lump sum. To the extent that an amount is payable to or on behalf of a Covered Executive with respect to the Automatic Stock Deferral Account in accordance with subsection 3.3, it shall be distributed by the Company in shares of Company Stock in a lump sum.

4.3 Beneficiary. Subject to the terms of the Plan, any benefits payable to a Covered Executive under the Plan that have not been paid at the time of the Covered Executive's death shall be paid at the time and in the form determined in accordance with the foregoing provisions of the Plan to the beneficiary designated by the Covered Executive in writing filed with the Committee in such form and at such time as the Committee shall require. A beneficiary designation form will be effective only when the signed form is filed with the Committee while the Participant is alive and will cancel all beneficiary designation forms filed earlier. If a Covered Executive fails to designate a beneficiary, or if the designated beneficiary of the deceased Covered Executive dies before the Covered Executive or before complete payment of the Covered Executive's benefits, the amounts shall be paid to the legal representative or representatives of the estate of the last to die of the Covered Executive and the Covered Executive's designated beneficiary.

4.4 Distributions to Disabled Persons. Notwithstanding the provisions of this Section 4, if, in the Committee's opinion, a Covered Executive or a beneficiary is under a legal disability or is in any way incapacitated so as to be unable to manage such individual's financial affairs, the Committee may direct that payment be made to a relative or friend of such individual for such individual's benefit until claim is made by a conservator or other person legally charged with the care of such individual's person or estate, and such payment shall be in lieu of any such payment to the Covered Executive or the beneficiary. Thereafter, any benefits under the Plan to which the Covered Executive or the beneficiary is entitled shall be paid to such conservator or other person legally charged with the care of such individual's person or estate.

4.5 Benefit May Not be Assigned. Neither a Covered Executive nor any other person shall have any voluntary or involuntary right to commute, sell, assign, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt of the amounts, if any, or any part thereof, payable hereunder, which are expressly declared to be unassignable and non-transferable. No part of the amounts payable shall be, prior to actual payment, subject to seizure or sequestration for payment of any debts, judgments, alimony or separate maintenance owed by the Covered Executive or any other person, or be transferred by operation of law in the event of the Covered Executive's or any other person's bankruptcy or insolvency. Payments to or on behalf of a Covered Executive under the Plan are not subject to reduction or offset for amounts due or alleged to be due from the Covered Employee to the Company or any Related Company.

SECTION 5

Source of Benefit Payments

The amount of any benefit payable under the Plan shall be paid from the general assets of the Company. Neither a Covered Executive nor any other person shall acquire by reason of the Plan any right in or title to any assets, funds or property of the Company whatsoever, including, without limiting the generality of the foregoing, any specific funds, assets, or other property which the Company, in its sole discretion, may set aside in anticipation of a liability under the Plan. A Covered Executive shall have only a contractual right to the amounts, if any, payable under the Plan, unsecured by any assets of the Company. Nothing contained in the Plan shall constitute a guarantee by the Company that the assets of the Company shall be sufficient to pay any benefits to any person.

SECTION 6

Committee

6.1 Powers of Committee. The authority to control and manage all aspects of the operation and administration of the Plan shall be vested in the Committee. The Committee is authorized to interpret the Plan, to establish, amend, and rescind any rules and regulations relating to the Plan, and to make all other determinations that may be necessary or advisable for the administration of the Plan. Except as otherwise specifically provided by the Plan, any determinations to be made by the Committee under the Plan shall be decided by the Committee in its sole discretion. Any interpretation of the Plan by the Committee and any decision made by it under the Plan is final and binding on all persons. The amount to be deferred under Section 3 shall be based on such estimates as the Committee determines in good faith to be appropriate.

6.2 Delegation by Committee. The Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time.

6.3 Information to be Furnished to Committee. The Company and the Related Companies shall furnish the Committee with such data and information as may be required for it to discharge its duties. The records of the Company and the Related Companies as to a Covered Executive's employment, termination of employment, leave of absence, reemployment and compensation shall be conclusive on all persons unless determined to be incorrect. Covered Executives and other persons entitled to benefits under the Plan must furnish the Committee such evidence, data or information as the Committee considers desirable to carry out the Plan.

6.4 Liability and Indemnification of Committee. No member or authorized delegate of the Committee shall be liable to any person for any action taken or omitted in connection with the administration of the Plan unless attributable to such individual's own fraud or willful misconduct; nor shall the Company be liable to any person for any such action unless attributable to fraud or willful misconduct on the part of a director or employee of the Company. The Committee, the individual members thereof, and persons acting as the authorized delegates of the Committee under the Plan, shall be indemnified by the Company against any and all liabilities, losses, costs and expenses (including legal fees and expenses) of whatsoever kind and nature which may be imposed on, incurred by or asserted against the Committee or its members or authorized delegates by reason of the performance of a Committee function if the Committee or its members or authorized delegates did not act dishonestly or in willful violation of the law or regulation under which such liability, loss, cost or expense arises. This indemnification shall not duplicate but may supplement any coverage available under any applicable insurance.

SECTION 7

Amendment and Termination

The Committee may, at any time, amend or terminate the Plan, subject to the following:

a. Subject to the provisions of subsection 1.2 (relating to changes in the Code), no amendment or termination may materially adversely affect the rights of any Covered Executive or beneficiary under the Plan.
b. Notwithstanding any other provision of the Plan to the contrary, neither the Committee nor the Board may delegate its rights and responsibilities under this Section 7; provided, however, that the Board may, from time to time, substitute itself, or another committee of the Board, for the Human Resources and Compensation Committee under this Section 7.

Exhibit 31.1

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

I, David M. Foulkes, 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 1, 2019

By: /s/ DAVID M. FOULKES
David M. Foulkes
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 1, 2019

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, David M. Foulkes, Chief Executive Officer of Brunswick Corporation, certify that: (i) Brunswick Corporation's Quarterly Report on Form 10-Q for the quarterly period ended March 30, 2019 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 March 30, 2019 fairly presents, in all material respects, the financial condition and results of operations of Brunswick Corporation.

BRUNSWICK CORPORATION

May 1, 2019

By: /s/ DAVID M. FOULKES
David M. Foulkes
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 March 30, 2019 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 March 30, 2019 fairly presents, in all material respects, the financial condition and results of operations of Brunswick Corporation.

BRUNSWICK CORPORATION

May 1, 2019

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