

BRUNSWICK CORP  
Form DEF 14A  
March 22, 2019  
UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )**

Filed by the Registrant    Filed by a Party other than the Registrant

**Check the appropriate box:**

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**BRUNSWICK CORPORATION**

*(Name of Registrant as Specified In Its Charter)*

*(Name of Person(s) Filing Proxy Statement, if other than the Registrant)*

**Payment of Filing Fee (Check the appropriate box):**

**No fee required.**

**Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.**

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11  
(set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

**Fee paid previously with preliminary materials.**

**Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.**

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**PROXY STATEMENT AND  
NOTICE OF ANNUAL MEETING**

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March 22, 2019

Dear fellow shareholders:

We begin 2019 with great excitement after announcing our 2018 results which saw record earnings and our ninth consecutive year of adjusted EPS growth. Our financial results demonstrate the outstanding work of our over 16,000 dedicated employees who are consistently focused on our strategy of product and technology leadership along with operational excellence.

Our marine propulsion and parts and accessories businesses continue to excel, with significant growth in 2018. During the year, Mercury completed the largest ever marine product launch with the introduction of the highly successful 175HP-300HP outboard engine platform—26 new models in total. We also completed the acquisition of Power Products, the largest acquisition in Brunswick's history, further strengthening our leading parts and accessories business. The Boat Segment also had strong sales growth and continued operating margin expansion, with contributions from all brands, while Boston Whaler, Lund, and Sea Ray all remain market leaders in their respective premium categories. All in all, the marine segments delivered 12 percent adjusted top-line growth over 2017.

In 2019, we plan to build on these achievements as we transition to an exclusively marine-focused operating model, further enhancing the value of our marine franchise for shareholders. We will continue to lead with product innovation and engineering bringing to market new products and services to make boating easier and more accessible. We will connect even more closely to consumers with leading marine technology and integrated experiences. Finally, we will grow boating participation, expanding our customer base with unique participation opportunities across the recreational marine spectrum.

At the end of 2018, we saw the retirement of our Chairman and CEO Mark Schwabero. We thank Mark for his years of service to Brunswick and leadership on the many significant initiatives completed last year, including several executive leadership changes and a smooth CEO transition. Finally, our Fitness business remains on track to be separated from the portfolio, with refocused efforts on cost improvement and investment in products and technology. 2019 looks to be a year of growth and exciting changes at Brunswick.

Your Board remains committed to delivering long-term, sustainable shareholder value. As part of that commitment, the Board continually evaluates and strengthens Brunswick's governance practices. In the past three years, we adopted bylaw amendments that include proxy access provisions and proposed a plan (approved by shareholders in 2018) to declassify the Board. Your Board also decided to separate the roles of Board Chairman and CEO. We look forward to

working in close collaboration as the year progresses. Your Board of Directors is changing, as two of our long-serving Directors, Nolan Archibald and Ralph Stayer, will be retiring from the Board. We want to thank them for their valuable service to the Company. We have also added two new Directors to the Board in anticipation of these retirements and we look forward to the insights, perspective, and expertise they will bring to Brunswick.

Brunswick will begin mailing a notice to our shareholders on March 22, 2019 containing instructions about online access to our 2019 Proxy Statement and our Annual Report on Form 10-K for the year ended December 31, 2018, as well as instructions regarding how to receive paper copies of these documents if you prefer.

Your vote is very important. Whether or not you plan to attend the meeting, please vote via the Internet, by telephone, or by signing and returning a proxy card.

The Board and management team remain committed to delivering long-term value to our investors. Thank you for your continued support.

Sincerely,

**Manuel A. Fernandez**

Chairman of the Board  
Brunswick Corporation

**David M. Foulkes**

Chief Executive Officer  
Brunswick Corporation

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**NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS**

**MEETING INFORMATION**

**DATE AND TIME:**

May 8, 2019  
9 a.m. CDT

**LOCATION:**

Brunswick Corporation  
26125 N. Riverwoods Blvd., Suite 500  
Mettawa, IL 60045

**VOTING MATTERS**

2019 PROPOSALS

**PROPOSAL 1:** Election of Directors

**PROPOSAL 2:** Advisory Vote to Approve the Compensation of our Named Executive Officers

**PROPOSAL 3:** Ratification of the Appointment of Independent Registered Public Accounting Firm for the Fiscal Year Ending December 31, 2019

<b>Board Recommends:</b>	<b>Learn More on Page:</b>
FOR each nominee	12
FOR	55
FOR	58

**REVIEW YOUR PROXY STATEMENT AND VOTE IN ONE OF FOUR WAYS\*:**

**BY INTERNET    BY TELEPHONE    BY MAIL**

**IN PERSON\*\***

proxyvote.com    1-800-690-6903

Annual Meeting

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Completing, signing, and returning your proxy or  
voting instruction card

By 5:00 p.m. EDT By 5:00 p.m. EDT  
on May 7, 2019 on May 7, 2019

May 8, 2019  
9 a.m. CDT

To arrive by May 7, 2019

**AM I ELIGIBLE TO VOTE?** You can vote if you were a shareholder of record at the close of business on March 11, 2019.

*If you hold shares in the Brunswick Retirement Savings Plan or the Brunswick Rewards Plan, you must direct the trustee of these plans how to vote these shares by one of the above methods no later than 5:00 p.m. EDT on May 3, 2019.*

*\*\*If you are a shareholder of record, your admission ticket is attached to your proxy card. If your shares are held in the name of a broker, bank, or other nominee, you must bring proof of ownership with you to attend the meeting.*



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## **PROXY SUMMARY**

This summary highlights information contained elsewhere in this Proxy Statement. The summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting. Page references are supplied to help you find further information in this Proxy Statement.

For more detail, please see our Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on February 19, 2019.

*(1) Please see the Appendix for a reconciliation of non-GAAP measures.*

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## DIRECTOR NOMINEES

For more information, visit page 12

### DAVID C. EVERITT

President, Agricultural and Turf Division  
of Deere & Company (Retired)

**Director Since:** 2012

**Age:** 66

#### KEY SKILLS & EXPERTISE

#### Committees:

Fitness Transaction Leader

Human Resources and Compensation

Nominating and Corporate Governance

### INDEPENDENT DIRECTOR

### JOSEPH W. MCCLANATHAN

#### KEY SKILLS & EXPERTISE

President and Chief Executive Officer,  
Household Products Division, Energizer

### LAUREN PATRICIA FLAHERTY

Executive Vice President and  
Chief Marketing Officer of CA  
Technologies (Retired)

**Director Since:** 2018

**Age:** 61

#### KEY SKILLS & EXPERTISE

#### Committees:

Human Resources and  
Compensation

Nominating and Corporate  
Governance

### INDEPENDENT DIRECTOR

### ROGER J. WOOD

#### KEY SKILLS & EXPERTISE

Co-CEO of Tenneco, Inc.

Holdings, Inc. (Retired)

**Director Since:** 2012

**Director Since:** 2018

**Age:** 56

**Age:** 66

**Committees:**

**Committees:**

Audit

Finance

Finance

Human Resources and Compensation

**INDEPENDENT DIRECTOR**

**INDEPENDENT DIRECTOR**

**GOVERNANCE HIGHLIGHTS:**

[Back to Contents](#)**EXECUTIVE COMPENSATION**

For more information, visit page 31

<b>Compensation Element</b>	<b>Metric(s)</b>	<b>Role</b>	<b>How It's Designed and Determined</b>
<b>BASE SALARY</b>	n/a	Provides a fixed element of compensation sufficient to avoid competitive disadvantage and reward day-to-day contributions to the Company.	Reviewed annually, targeting median of market. We consider external competitiveness, individual performance, and internal equity when determining executives' base salaries.
<b>ANNUAL INCENTIVE PLAN</b>	Earnings Per Share (EPS) Divisional Earnings Before Interest and Taxes (EBIT) Cash Flow Return On Investment (CFROI)	Primary element used to reward accomplishments against established business and individual goals within a given year.	Target funding based on planned performance for the year, as approved by the Board of Directors, with actual funding tied to annual performance against target goals and limited to no more than 200 percent of target funding.
<b>PERFORMANCE SHARES</b>	Operating Margin	Focus management team on creating and sustaining value for shareholders.	Annual Performance Share grants for Named Executive Officers (NEOs) represent 50 percent of targeted equity value. Three-year performance plan with shares earned based on achievement of CFROI and Operating Margin targets, potentially modified by Brunswick's TSR performance relative to the TSR of an established peer group (as measured over a three-year period).
<b>RESTRICTED STOCK UNITS (RSUs)</b>	Relative Total Shareholder Return (TSR) Absolute TSR	Reinforce retention and reward sustained TSR.	Annual RSU grants for NEOs represent 50 percent of targeted equity value. RSUs cliff vest at the end of a three-year period.

**WHAT WE DO:**

Base a very high percentage of executive pay on performance through annual and long-term incentives

Require executives to achieve performance-based goals tied to shareholder return

Target median compensation levels and benchmark market data of our peer group when making executive compensation decisions

Apply strict share ownership guidelines to NEOs and Directors

Require vested shares from our equity compensation programs to be held until share ownership guidelines are met

Disclose complete information on annual and long-term incentives

Evaluate, and manage, risk in our compensation programs

Use an independent compensation consultant

Have an established clawback policy

Maintain double-trigger equity award vesting acceleration upon involuntary termination following a Change in Control (CIC)

Engage in a rigorous and thoughtful executive succession planning process with the Board

**WHAT WE DON'T DO:**

No excise tax gross-ups

No modified single-trigger or single-trigger CIC severance agreements (we only use double-trigger CIC severance provisions)

Expressly forbid option repricing not in accordance with plans already approved by shareholders

Expressly forbid exchanges of underwater options for cash in all of our active equity plans

No hedging of shares by our Directors or employees

No pledging of shares by our Directors or employees

No dividends or dividend equivalents on unearned Performance Shares

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[Back to Contents](#)**2018 EXECUTIVE TOTAL TARGETED COMPENSATION MIX**

For more information, visit page 34

**2018 EXECUTIVE COMPENSATION SUMMARY**

For more information, visit page 43

Year	Salary	Bonus	Stock Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Non-Qualified Deferred Compensation Earnings	All Other Compensation	Total
<b>MARK D. SCHWABERO<sup>(1)</sup>, Former Chairman and Chief Executive Officer</b>							
2018	\$1,050,000	\$750,000	\$4,999,836	\$1,170,000	—	\$273,744	<b>\$8,243,580</b>
<b>DAVID M. FOULKES<sup>(2)</sup>, Chief Executive Officer</b>							
2018	\$447,885	—	\$775,088	\$385,000	—	\$118,086	<b>\$1,726,059</b>
<b>WILLIAM L. METZGER, Senior Vice President and Chief Financial Officer</b>							
2018	\$544,615	—	\$1,000,090	\$485,500	\$3,286	\$146,077	<b>\$2,179,568</b>
<b>JOHN C. PFEIFER, Senior Vice President and President — Mercury Marine</b>							
2018	\$514,385	—	\$2,000,033	\$466,000	\$427	\$135,174	<b>\$3,116,019</b>
<b>HUW S. BOWER, Vice President and President — Brunswick Boat Group</b>							
2018	\$445,962	—	\$839,860	\$346,500	—	\$115,418	<b>\$1,747,740</b>
<b>JAIME A. IRICK<sup>(3)</sup>, Former Vice President and President — Fitness Division</b>							
2018	\$406,561	\$100,000	\$799,940	—	—	\$1,065,872	<b>\$2,372,373</b>

(1) Mr. Schwabero retired as Chairman and Chief Executive Officer effective December 31, 2018.

The Board of Directors appointed Mr. Foulkes as Chief Executive Officer effective January 1, 2019. Mr. Foulkes (2) previously served as Brunswick's Vice President and Chief Technology Officer and President, Brunswick Marine Consumer Solutions.

(3) Mr. Irick's employment with the Company terminated on October 29, 2018. See page 54 for additional information.

**ADDITIONAL PROPOSALS**

FOR MORE INFORMATION, VISIT PAGES 55 AND 58

In addition to the election of directors (page 12), we are asking shareholders to approve our compensation programs for Named Executive Officers on a non-binding advisory basis (page 55) and to ratify the Audit Committee's appointment of Deloitte & Touche LLP (Deloitte) as our independent registered public accounting firm for fiscal year 2019 (page 58).

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## OVERVIEW

## PROXY STATEMENT

The Board of Directors of Brunswick Corporation is soliciting proxies from Brunswick's shareholders on behalf of the Company for the annual meeting to be held at Brunswick Corporation headquarters, 26125 N. Riverwoods Boulevard, Suite 500, Mettawa, Illinois 60045, on Wednesday, May 8, 2019, at 9:00 a.m. CDT (the Annual Meeting). As required by Securities and Exchange Commission (SEC) rules, we are making this Proxy Statement and our Annual Report on Form 10-K available to our shareholders electronically via the Internet. In addition, we are using the SEC's Notice and Access Rules to provide shareholders with more options for receipt of these materials. Accordingly, on March 22, 2019, we will begin mailing a Notice of Internet Availability of Proxy Materials (the Notice) to our shareholders containing instructions about how to access this Proxy Statement and Brunswick's Annual Report via the Internet, how to vote online or by telephone, and how to receive paper copies of the documents and a proxy card.

## FREQUENTLY ASKED QUESTIONS ABOUT THE MEETING

### **What is the purpose of the Annual Meeting?**

At the Annual Meeting, shareholders will act upon matters described in the Notice, including:

- The election to our Board of Directors of the four nominees named in this Proxy Statement
- An advisory say-on-pay vote to approve the compensation of our Named Executive Officers
- Ratification of the Audit Committee's appointment of Deloitte as our independent registered public accounting firm for the fiscal year ending December 31, 2019

### **Who may vote at the Annual Meeting?**

Only holders of one or more of the 87,038,384 shares of Brunswick common stock, par value \$.75 per share (Common Stock), issued and outstanding as of the close of business on March 11, 2019 (the Record Date) will be entitled to vote at the Annual Meeting. Each holder as of the Record Date is entitled to one vote for each share of Brunswick Common Stock held.

**Who can  
attend the  
Annual  
Meeting?**

Only shareholders who owned Common Stock as of the Record Date, or their duly appointed proxies, will be entitled to attend the Annual Meeting. If you hold your shares through a broker, bank, or other nominee, you will not be admitted to the Annual Meeting unless you bring a copy of a statement (such as a brokerage statement) from your nominee reflecting your stock ownership as of the Record Date.

**Who  
will  
count  
the  
votes?**

Brunswick's tabulator, Broadridge Financial Solutions, Inc., will count the votes. Representatives of Brunswick's Law Department will act as inspectors of election.

**How  
do I  
vote?**

If you are a shareholder of record as of the Record Date, you can vote:

**BY INTERNET**

proxyvote.com

**BY TELEPHONE**

1-800-690-6903

By 5:00 p.m. EDT  
on May 7, 2019

By 5:00 p.m. EDT  
on May 7, 2019

**BY MAIL**

**IN PERSON**

Completing, signing, and returning your proxy or voting instruction card

Annual Meeting

To arrive by May 7, 2019

May 8, 2019  
9 a.m. CDT

If you hold your shares through a broker, bank, or other nominee, that institution will instruct you as to how your shares may be voted by proxy, including whether telephone or Internet voting options are available. If you hold your shares through a broker, bank, or other nominee and would like to vote in person at the Annual Meeting, you must first obtain a proxy issued in your name from the institution that holds your shares.

If you hold any shares in the Brunswick Retirement Savings Plan or the Brunswick Rewards Plan, you must direct the trustee of these plans how to vote these shares by following the instructions on your Notice for voting by telephone at **1-800-690-6903** or via the Internet at **www.proxyvote.com**, or by signing, dating, and mailing in a proxy card. The deadline for voting shares held in the Brunswick Retirement Savings Plan or the Brunswick Rewards Plan is 5:00 p.m. EDT on May 3, 2019. The trustee will vote these shares as you direct. The trustee will vote allocated shares of Common Stock for which proxies are not received in direct proportion to voting by allocated shares for which proxies are received.

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## FREQUENTLY ASKED QUESTIONS ABOUT THE MEETING

**Can I  
change  
my  
vote  
after I  
have  
voted?**

You may revoke your proxy and change your vote at any time before the final vote at the Annual Meeting, including voting via the Internet or by telephone (only your latest Internet or telephone proxy that is timely submitted prior to the meeting will be counted), by signing and returning a new proxy card with a later date, or by attending the meeting and voting in person. However, your attendance at the Annual Meeting will not automatically revoke your proxy unless you vote again at the meeting or specifically request in writing that your prior proxy be revoked.

**How  
will  
my  
shares  
be  
voted  
if I  
sign,  
date,  
and  
return  
a  
proxy  
card?**

If you sign, date, and return a proxy card and indicate how you would like your shares to be voted, your shares will be voted as you have instructed. If you sign, date, and return a proxy card but do not indicate how you would like your shares to be voted, your proxy will be voted in accordance with the Board's recommendations. With respect to any other matter that is properly brought before the meeting, the proxy holders will vote the proxies held by them in accordance with their best judgment.

**What are the  
Board's**

recommendations?

<b>PROPOSAL 1:</b> Election of Directors	FOR each nominee
<b>PROPOSAL 2:</b> Advisory Vote to Approve the Compensation of our Named Executive Officers	FOR
<b>PROPOSAL 3:</b> Ratification of the Appointment of Independent Registered Public Accounting Firm for the Fiscal Year Ending December 31, 2019	FOR

**What vote is required to approve each matter to be considered at the Annual Meeting?**

**Election of Directors.** Brunswick has adopted a majority voting standard for the uncontested election of Directors and, therefore, the four Director nominees shall be elected to the Board of Directors if they each receive a majority of the votes cast, in person or by proxy, at the Annual Meeting. Under Brunswick’s majority voting standard for uncontested elections, if the number of votes cast “For” a Director nominee’s election does not exceed the number of votes cast “Against” election, then the Director nominee must tender his or her resignation from the Board promptly after certification of the shareholders’ vote. The Board will decide within 120 days of that certification, through a process managed by the Nominating and Corporate Governance Committee and excluding the Director nominee in question, whether to accept the resignation. Because Brunswick has adopted a majority voting standard for the uncontested election of Directors, abstentions will have no effect on the election of Director nominees. If any one or more of the Director nominees is unable to serve, votes will be cast, pursuant to authority granted by the enclosed proxy, for the alternate individual or individuals the Board designates.

**Advisory Vote to Approve the Compensation of our Named Executive Officers.** The affirmative vote of the holders of a majority of the shares having voting power, represented in person or by proxy, will be required for the approval of the non-binding resolution relating to the compensation of our Named Executive Officers (NEOs). Because approval of this resolution requires a majority of the shares having voting power and represented at the Annual Meeting, abstentions will have the same effect as votes against approval.

**Ratification of the Appointment of Independent Registered Public Accounting Firm.** The affirmative vote of the holders of a majority of the shares having voting power, represented in person or by proxy, will be required for the ratification of the Audit Committee’s appointment of Deloitte as Brunswick’s independent registered public accounting

firm for the fiscal year ending December 31, 2019. Because the ratification of the independent registered public accounting firm requires a majority of the shares having voting power and represented at the Annual Meeting, abstentions will have the same effect as votes against ratification.

**What  
constitutes  
a quorum?**

The Annual Meeting will be held only if a quorum is present. A quorum will be present if a majority of the shares of Common Stock issued and outstanding on the Record Date are represented, in person or by proxy, at the Annual Meeting. Shares represented by properly completed proxy cards or ballots marked “Abstain” or returned without voting instructions are counted as present for the purpose of determining whether a quorum is present.

**How will  
broker  
non-votes  
be  
treated?**

Broker non-votes occur when a broker lacks discretionary authority to vote on a proposal and the beneficial owner has not provided instructions about how to vote. Brunswick will treat broker non-votes as present to determine whether or not there is a quorum at the Annual Meeting, but they will not be treated as having voting power on the proposals, if any, for which the broker indicates it does not have discretionary authority. This means that broker non-votes will not have any effect on whether a proposal passes.

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## **FREQUENTLY ASKED QUESTIONS ABOUT THE MEETING**

We expect that brokers will have discretionary authority with respect to the proposal to ratify the appointment of our independent registered public accounting firm but will lack discretionary authority with respect to the election of Directors and the advisory vote to approve the compensation of our Named Executive Officers. Accordingly, broker non-votes may occur as to these two proposals.

### **Will my vote be kept confidential?**

Yes. As a matter of policy, shareholder proxies, ballots, and tabulations that identify individual shareholders are kept confidential and are available only to our tabulator and inspectors of election, who are obligated to keep your vote confidential.

### **What if other matters come up during the Annual Meeting?**

If any matters other than those referred to in the Notice properly come before the meeting, the individuals named in the accompanying form of proxy will vote the proxies held by them in accordance with their best judgment. We are not aware of any business other than the items referred to in the Notice that may be considered at the meeting.

### **Who pays to prepare, mail, and solicit the proxies?**

Brunswick pays all of the costs of preparing, mailing, and soliciting proxies. We ask brokers, banks, voting trustees, and other nominees and fiduciaries to forward notices and, when requested, proxy materials to the beneficial owners and to obtain authority to execute proxies. We reimburse the brokers, banks, voting trustees, and other nominees and fiduciaries upon request. In addition to solicitation by mail, telephone, facsimile, Internet, or personal contact by our designated officers and employees (who will not receive additional compensation for their solicitation efforts), we have retained the services of Georgeson Inc. to solicit proxies for a fee of \$10,500 plus expenses.

**Why did I  
receive a  
one-page  
notice in  
the mail  
regarding  
the Internet  
availability  
of proxy  
materials  
instead of a  
full set of  
printed  
proxy  
materials?**

Pursuant to SEC rules, we are providing access to our proxy materials via the Internet and have elected to use the SEC's Notice and Access Rules for soliciting proxies. Accordingly, we are sending a Notice to all of our shareholders as of the Record Date. All shareholders may access our proxy materials on the website referred to in the Notice. You may also request to receive a printed set of the proxy materials. You can find instructions regarding how to access our proxy materials via the Internet and how to request a printed copy in the Notice. Additionally, by following the instructions in the Notice, you may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our Annual Meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

**Multiple  
individuals  
residing in  
my home  
are  
beneficial  
owners of  
shares of  
Common  
Stock. Why  
did we**



**receive  
only one  
mailing?**

Brunswick is sending only one envelope with multiple Notices to you if you share a single address with another shareholder, unless we have received instructions to the contrary from you. This practice, known as “householding,” is designed to eliminate duplicate mailings, conserve natural resources, and reduce our printing and mailing costs. We will promptly deliver a separate Notice to you upon written or verbal request. If you wish to receive separate mailings in the future, you may contact Brunswick Shareholder Services by telephone at **847.735.4294**, by mail at **26125 N. Riverwoods Blvd., Ste 500, Mettawa, IL 60045**, or by email at **services@brunswick.com**.

If you currently receive multiple Notices, you can request householding by contacting Shareholder Services as described above. If you own your shares through a broker, bank, or other nominee, you can request householding by contacting the holder of record.

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## **PROPOSAL 1: ELECTION OF DIRECTORS**

**What am I voting on?** Shareholders are being asked to elect four individuals to serve on the Board of Directors.

**Recommendation: Your Board of Directors recommends a vote FOR the election of the nominees.**

The current Board of Directors has nominated:

**DAVID C. EVERITT LAUREN PATRICIA FLAHERTY JOSEPH W. MCCLANATHAN ROGER J. WOOD**

for election as Directors. If elected by our shareholders, each nominee will serve for a one-year term expiring at our 2020 Annual Meeting of Shareholders. Each Director will hold office until his or her successor has been elected and qualified or until the Director's earlier resignation or removal. The Nominating and Corporate Governance Committee engaged a third-party search firm to assist it in recruiting and assessing potential director candidates. Ms. Flaherty and Mr. McClanathan were recruited by the third-party search firm to be nominated to the Board of Directors.

The Board of Directors currently has 12 members divided among three classes. In 2018, the Board of Directors and shareholders approved amendments to our Restated Certificate of Incorporation to declassify the Board of Directors. Therefore, the Directors whose terms expire in 2019 will, if elected, serve for a one-year term, except for Mr. Archibald, who is retiring at the Annual Meeting. Mses. Cooper and Warner will serve until their terms expire in 2020 and will be elected annually thereafter (Mr. Stayer, whose term would otherwise expire in 2020, will retire at the 2019 Annual meeting as well). Messrs. Fernandez, Foulkes, who was appointed to Mr. Schwabero's term, Singer, and Whisler will serve until their terms expire in 2021 and will be elected annually thereafter. After the May 2019 planned retirements of Messrs. Archibald and Stayer, the Board will return to its previous size of ten Directors.

Biographical information follows for each nominee and each Director whose term of office will continue after the Annual Meeting. Additional information is set forth below regarding the specific experience, qualifications, attributes, or skills of the nominees to the Board of Directors that led the Board to conclude that such individuals should serve on the Board in light of our business and leadership structure.

**DIRECTOR NOMINEE SUMMARY**

4/4 AVERAGE AGE AVERAGE TENURE 3 INDEPENDENT years years Director Nominees GLOBAL 4/4  
Director Nominees 100% OPS/MANUFACTURING 3/4 Director Nominees 75% PUBLIC COMPANY BOARD 3/4  
Director Nominees 75% MARKETING 3/4 Director Nominees 75% AUDIT/FINANCE 2/4 Director Nominees 50%  
DEALERS/DISTRIBUTION 2/4 Director Nominees 50% TECHNOLOGY 2/4 Director Nominees 50% 1/4 Director  
Nominees 25% 1/4 Director Nominees 25% CEO DIVERSE REGULATORY/LEGAL/GOVERNANCE 1/4 Director  
Nominees 1/4 Director Nominees 25% 25%

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**ELECTION OF DIRECTOR NOMINEES FOR TERMS EXPIRING AT THE 2020 ANNUAL MEETING**

**DAVID C. EVERITT**

<p>President, Agricultural and Turf Division of Deere &amp; Company (Retired)</p> <p><b>Director Since:</b> 2012 <b>Age:</b> 66</p> <p><b>Committees:</b></p> <p>Fitness Transaction Leader</p> <p>Human Resources and Compensation</p> <p>Nominating and Corporate Governance</p>	<p>As the former President of Deere &amp; Company’s largest division, Mr. Everitt brings his engineering experience, global expertise, and extensive knowledge of dealer and distribution issues to our Board. Mr. Everitt also provides crucial operations, manufacturing, and marketing experience.</p> <p><b>Experience:</b></p> <p>Retired; President, Agricultural and Turf Division—North America, Asia, Australia, and Sub-Saharan and South Africa, and Global Tractor and Turf Products of Deere &amp; Company, the world’s largest manufacturer of agricultural equipment and a major U.S. producer of construction, forestry, and lawn and grounds care equipment, 2009 to 2012; President, Agricultural Division—North America, Australia, Asia and Global Tractor and Implement Sourcing, 2006 to 2009; President, Agricultural Division—Europe, Africa, South America and Global Harvesting Equipment Sourcing, 2001 to 2006. Director of Nutrien Ltd., Allison Transmission Holdings, Inc., and Harsco Corporation; previously served as Director of Agrium Inc.</p>	<p><b>KEY SKILLS AND EXPERTISE</b></p> <p><b>Dealers/Distribution</b></p> <p><b>Global</b></p> <p><b>Marketing</b></p> <p><b>Operations/Manufacturing</b></p> <p><b>Public Company Board</b></p>
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**LAUREN PATRICIA FLAHERTY**

<p>Executive Vice President and Chief Marketing Officer of CA Technologies (Retired)</p> <p><b>Director Since:</b> 2018 <b>Age:</b> 61</p>	<p>As an experienced leader who has served a diverse profile of companies, from globally recognized technology leaders to high-growth, Silicon Valley innovators, Ms. Flaherty brings extensive marketing experience and strategic planning skills to Brunswick’s Board. Ms. Flaherty’s experience assists the Board in several areas including marketing, technology, and global operations.</p>	<p><b>KEY SKILLS AND EXPERTISE</b></p> <p><b>Diverse</b></p> <p><b>Global</b></p>
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**Committees:**

**Experience:**

Human Resources and Compensation	Retired; Executive Vice President and Chief Marketing Officer at CA Technologies, a global developer of licensed enterprise software products and services, which was acquired by Broadcom in November 2018, 2013 to 2018; Chief Marketing Officer and Executive Vice President at Juniper Networks, Inc., 2009 to 2013; Chief Marketing Officer of Nortel Networks, 2006 to 2009; various positions of increasing responsibility at IBM, 1980 to 2006. Ms. Flaherty served on the Board of Xactly Corp., a privately-held market leader in SaaS-based sales performance software, from March 2016 to August 2017.	<b>Marketing</b>
Nominating and Corporate Governance		<b>Technology</b>

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**ELECTION OF DIRECTOR NOMINEES FOR TERMS EXPIRING AT THE 2020 ANNUAL MEETING**

**JOSEPH W. MCCLANATHAN**

<p>President and Chief Executive Officer, Household Products Division, Energizer Holdings, Inc. (Retired)</p>	<p>As the former President and Chief Executive Officer of a large division of a global leader in power solutions, Mr. McClanathan brings extensive expertise in manufacturing, sales and marketing, and international business operations to our Board. Mr. McClanathan also provides unique insight into consumer solutions, and will assist management and the Board with his significant experience with financial issues, human resources, executive compensation, and strategic planning.</p>	<p><b>KEY SKILLS AND EXPERTISE</b></p> <p><b>Audit/Finance</b></p> <p><b>Dealers/Distribution</b></p>
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**Director Since:** 2018  
**Age:** 66

**Global**

**Experience:**

**Committees:**

<p>Finance</p> <p>Human Resources and Compensation</p>	<p>Retired; President and Chief Executive Officer, Household Products Division of Energizer Holdings, Inc., a leading manufacturer of primary batteries, portable flashlights, and lanterns, 2004 to 2012; President—North America, Energizer Holdings, 1999 to 2004. Previously served in various leadership roles at Ralston Purina, prior to the Energizer spinoff, including Vice President—Chief Technology Officer of Eveready Battery Company; Vice President—General Manager of Energizer Power Systems, and Director—Trade Marketing of Eveready Battery Company. Director of Leggett and Platt.</p>	<p><b>Marketing</b></p> <p><b>Operations/Manufacturing</b></p> <p><b>Public Company Board</b></p> <p><b>Regulatory/Legal/Governance</b></p>
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**ROGER J. WOOD**

<p>Co-CEO of Tenneco, Inc.</p>	<p>As Co-CEO of one of the world’s largest designers, manufacturers, and marketers of ride performance and clean air products and systems, in addition to his previous experience, Mr. Wood brings substantial expertise regarding manufacturing, technology, and customer solutions to Brunswick’s Board. Mr. Wood’s current role, plus his previous experience at Dana Holding Corporation and another Tier-1 automotive supplier, provides unique insight and</p>	<p><b>KEY SKILLS AND EXPERTISE</b></p> <p><b>Audit/Finance</b></p> <p><b>CEO</b></p>
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**Director Since:** 2012  
**Age:** 56

**Committees:**

significant knowledge to the Board in the areas of manufacturing operations, business management, global operations, and strategic planning. **Global**

Audit

**Operations/Manufacturing**

Finance

**Experience:**

Co-Chief Executive Officer, Tenneco Inc., July 2018 to present; Chairman and Chief Executive Officer, Fallbrook Technologies Inc., a privately held technology developer and manufacturer, February to July 2018; President and Chief Executive Officer of Dana Holding Corporation, a world leader in the supply of axles, driveshafts, off-highway transmissions, sealing and thermal-management products, and genuine service parts, 2011 to 2015; Group President, Engine of BorgWarner, Inc., a worldwide automotive industry components and parts supplier, 2010 to 2011; Executive Vice President of BorgWarner Inc., 2009 to 2011; President of BorgWarner Turbo Systems Inc. and BorgWarner Emissions Systems Inc., 2005 to 2009. Director of Tenneco Inc. and Fallbrook Technologies; previously served as Lead Director of Fallbrook Technologies Inc. and Director of Dana Holding Corporation. **Public Company Board**  
**Technology**

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**DIRECTORS CONTINUING IN OFFICE UNTIL THE 2020 ANNUAL MEETING**

**NANCY E. COOPER**

<p>Executive Vice President &amp; CFO of CA Technologies, Inc. (Retired)</p> <p><b>Director Since:</b> 2013</p> <p><b>Age:</b> 65</p>	<p>As the former Executive Vice President and Chief Financial Officer of CA Technologies, Ms. Cooper brings financial acumen and technology experience to our Board. Ms. Cooper’s extensive experience as a Chief Financial Officer and her other financial leadership roles for several companies, as well as her service on the audit committees of two other public companies, assists the Board in several areas including finance, internal control, and audit matters.</p> <p><b>Experience:</b></p> <p>Retired; Executive Vice President and Chief Financial Officer of CA Technologies, Inc., one of the largest independent software corporations in the world, 2006 to 2011; Chief Financial Officer of IMS Health, Inc., a global information and technology services company, 2001 to 2006. Director of The Mosaic Company, Guardian Life Insurance Company of America, and Aptiv PLC; previously served as Director of Teradata Corporation.</p>	<p><b>KEY SKILLS AND EXPERTISE</b></p> <p><b>Audit/Finance</b></p> <p><b>Diverse</b></p> <p><b>Global</b></p> <p><b>Public Company Board</b></p> <p><b>Technology</b></p>
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**JANE L. WARNER**

<p>Executive Vice President Decorative Surfaces and Finishing Systems of Illinois Tool Works Inc. (Retired)</p>	<p>With almost 40 years of experience in global manufacturing and manufacturing information systems businesses, Ms. Warner has particular appreciation for the challenges facing our operations, distribution network, and customers. Her leadership roles in diverse companies, along with the financial understanding she has gained through her business unit leadership, assists our Board in working through the issues that confront our global businesses.</p> <p><b>Experience:</b></p>	<p><b>KEY SKILLS AND EXPERTISE</b></p> <p><b>Dealers/Distribution</b></p> <p><b>Diverse</b></p>
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<p><b>Director Since:</b> 2015</p> <p><b>Age:</b> 72</p> <p><b>Committees:</b></p> <p>Finance</p> <p>Nominating and Corporate Governance</p>	<p>Retired; Executive Vice President—Decorative Surfaces and Finishing Systems of Illinois Tool Works Inc., a diversified manufacturer of highly engineered components and industrial systems and consumables, 2007 to 2013; Group President of Global Finishing Systems of Illinois Tool Works Inc., 2005 to 2007; President of Plexus Systems, L.L.C. (now known as Plex), an online manufacturing software company, 2004 to 2005; Vice President of Electronic Data Systems, 2000 to 2004; Executive Vice President and President of Kautex North America and Randall divisions for Textron Automotive, 1994 to 1999. Formerly, Ms. Warner held executive positions in manufacturing, engineering, and human resources over a 20-year span at General Motors Corporation. Director of Regal Beloit Corporation and Tenneco Inc.; previously served as Director of MeadWestvaco Corporation.</p>	<p><b>Global</b></p> <p><b>Operations/Manufacturing</b></p> <p><b>Public Company Board</b></p> <p><b>Technology</b></p>
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**DIRECTORS CONTINUING IN OFFICE UNTIL THE 2021 ANNUAL MEETING**

**MANUEL A. FERNANDEZ**

Chairman, CEO, & President of Gartner Group (Retired)

**Director Since:** 1997  
**Age:** 72

**Committees:**

Nominating and Corporate Governance (Chair)

Executive

Human Resources and Compensation

**NON-EXECUTIVE CHAIRMAN OF THE BOARD**

**DAVID M. FOULKES**

As the former Chairman and Chief Executive Officer of a leading technology company and the Managing Director of a venture capital partnership, Mr. Fernandez brings significant experience and knowledge to our Board regarding strategic planning, innovation, technology, acquisitions, corporate governance, distribution, operations, and human resources. Mr. Fernandez’s extensive experience in a variety of businesses with strong commercial product offerings, including three technology companies, allows him to provide invaluable advice and guidance to our Company’s management and Board.

**Experience:**

Retired; Chairman, Chief Executive Officer, and President of Gartner Group, a technology research and advisory firm, 1991 to 1999; Executive Chairman of Sysco Corporation, a marketer and distributor of foodservice products, 2012 to 2013; Non-Executive Chairman of Sysco Corporation, 2009 to 2012; Managing Director, SI Ventures, LLC, a venture capital partnership, from 1998 to present. Previously served as President and Chief Executive Officer at Dataquest, Inc., Gavilan Computer Corporation, and Zilog Incorporated. Director of SI Ventures, LLC, Leggett and Platt Incorporated, and Performance Food Group; previously served as Chairman of the University of Florida Board of Trustees, Chairman Emeritus of Gartner, Inc., Director of Flowers Foods, Inc., Stanley Black & Decker, Inc., Tibco Software, Inc., and Time Inc.

**KEY SKILLS AND EXPERTISE**

**Audit/Finance**

**CEO**

**Diverse**

**Global**

**Operations/Manufacturing**

**Public Company Board**

**Regulatory/Legal/Governance**

**Technology**

**KEY SKILLS AND EXPERTISE**

As the former Chief Technology Officer, President, Brunswick Marine Consumer Solutions, and head of Product Development at Brunswick’s largest division, Mercury Marine, Mr. Foulkes is well positioned as CEO to provide expertise

CEO of  
Brunswick  
Corporation

and guidance in leading-edge design, technology, and innovation. Mr. Foulkes' roles also have given him extensive knowledge of our businesses and industries. This experience allows him to communicate effectively with the Board about our operations, product development, and overall business strategy. Based on his various roles within Brunswick and his prior experience, Mr. Foulkes brings comprehensive management and manufacturing experience to our Board and a unique understanding of the operations, financial, and marketing challenges facing companies in the marine market.

**CEO**

**Director Since:** 2019  
**Age:** 57

**Dealers/Distribution**

**Committee:**

**Global**

Executive

**Experience:**

**Marine**

Chief Executive Officer of Brunswick Corporation, January 2019 to present; Chief Technology Officer and President, Brunswick Marine Consumer Solutions, 2018 to 2019; Vice President and Chief Technology Officer of Brunswick Corporation, 2014 to 2018; Vice President of Product Development and Engineering, Mercury Marine, 2010 to 2018; Vice President of Mercury Racing, 2012 to 2018; Mercury Marine Vice President for Research and Development, 2007 to 2010. Previously served in various senior roles with Ford Motor Company, Shell Exploration, and the United Kingdom Ministry of Defense.

**Operations/Manufacturing**

**Public Company Board**

**Technology**

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**DIRECTORS CONTINUING IN OFFICE UNTIL THE 2021 ANNUAL MEETING**

**DAVID V. SINGER**

		<b>KEY SKILLS AND EXPERTISE</b>
<p>CEO of Snyder's-Lance, Inc. (Retired)</p> <p><b>Director Since:</b> 2013</p> <p><b>Age:</b> 63</p>	<p>As the former Chief Executive Officer of a maker and global marketer of snack foods and through his director and public company audit committee roles, Mr. Singer brings extensive management and financial experience to our Board, as well as experience in supply chain, manufacturing, logistics, and distribution matters. Mr. Singer's experience in corporate finance, governance, and acquisitions is beneficial to the Board in several areas including oversight of external auditors and internal controls.</p>	<p><b>Audit/Finance</b></p> <p><b>CEO</b></p>
<p><b>Committees:</b></p>		<p><b>Dealers/Distribution</b></p>
<p><b>Experience:</b></p>		
<p>Audit</p>	<p>Retired; Chief Executive Officer of Snyder's-Lance, Inc., a leading snack food company, 2010 to 2013; President and Chief Executive Officer of Lance, Inc., 2005 to 2010; Executive Vice President and Chief Financial Officer of Coca-Cola Bottling Company Consolidated, 2001 to 2005. Director of Flowers Foods, Inc., Hanesbrands, Inc., and SPX Flow, Inc.; previously served as Director of Lance, Inc. and Snyder's-Lance, Inc.</p>	<p><b>Marketing</b></p>
<p>Finance</p>		<p><b>Operations/Manufacturing</b></p>
<p>Fitness Transaction Leader</p>		<p><b>Public Company Board</b></p>

**J. STEVEN WHISLER**

		<b>KEY SKILLS AND EXPERTISE</b>
<p>Chairman &amp; CEO of Phelps Dodge Corporation (Retired)</p> <p><b>Director Since:</b> 2007</p> <p><b>Age:</b> 64</p>	<p>As the former Chairman and Chief Executive Officer of a mining and manufacturing company with operations on several continents, Mr. Whisler has extensive experience with international business operations and regulatory compliance matters. Additionally, Mr. Whisler's background enables him to provide strategic advice and guidance to our Company's management and Board regarding financial, human resources, and risk oversight matters.</p>	<p><b>Audit/Finance</b></p> <p><b>CEO</b></p>

**Experience:**

**Committees:**

Human Resources  
and Compensation  
(Chair)

Retired; Chairman and Chief Executive Officer of Phelps Dodge Corporation, a mining and manufacturing company, 2000 to 2007; employed by Phelps Dodge Corporation in a number of positions since 1976, including President and Chief Operating Officer. Director of CSX Corporation and International Paper Company (Presiding Director 2009 to 2017). Previously served as Director of Burlington Northern Santa Fe Corporation and U.S. Airways Group, Inc.

**Dealers/Distribution**

**Global**

**Operations/Manufacturing**

Executive

**Public Company Board**

Nominating and  
Corporate  
Governance

**Regulatory/Legal/Governance**

**Technology**

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## **CORPORATE GOVERNANCE**

The Board of Directors has adopted written Principles and Practices (the Principles) which are available on the Brunswick website, [www.brunswick.com/company/governance/principlespractices.php](http://www.brunswick.com/company/governance/principlespractices.php), or in print upon request by any Brunswick shareholder. The Principles set the framework for our governance structure. The Board believes that good corporate governance is a source of competitive advantage for Brunswick. Good governance allows the skills, experience, and judgment of the Board to support our executive management team, enabling management to improve our performance and maximize shareholder value.

As set forth in the Principles, the Board's responsibilities include overseeing and directing management in building long-term value for shareholders. The Chief Executive Officer (CEO) and the senior management team are responsible for managing day-to-day business operations and for presenting regular updates to the Board about our business. The Board offers the CEO and management constructive advice and counsel and may, in its sole discretion and at the Company's expense, obtain advice and counsel from independent legal, financial, accounting, compensation, and other advisors.

The Board of Directors met nine times during 2018. Our Directors collectively attended 93% percent of the 2018 Board and committee meetings. The Principles provide that all members of the Board are requested to attend Brunswick's Annual Meeting of Shareholders. All Directors then on the Board attended the 2018 Annual Meeting of Shareholders.

The independent Directors regularly meet in executive session without members of management present. The Chairman of the Board, Manuel A. Fernandez, presides and acts as the Board's leader. Additionally, the Chairman serves as a liaison between management and the Board and is responsible for consulting with the CEO regarding Board and committee meeting agendas and Board governance matters.

## **BOARD COMPOSITION**

ALL OF THE MEMBERS OF THE Audit Committee Finance Committee Human Resources & Compensation Committee Nominating & Corporate Governance Committee ARE INDEPENDENT 11 OF 12 DIRECTORS ARE INDEPENDENT under the Board's Principles and Practices and the NYSE Listed Company Manual Our Directors collectively attended an average of 93% of the 2018 BOARD AND COMMITTEE MEETINGS 100% of the AUDIT COMMITTEE MEMBERS ARE "FINANCIAL EXPERTS" as SEC rules define that term AGE DIVERSITY 17% 20% After the 2019 Annual Meeting 33% 20% After the 2019 Annual Meeting 50% 60% After the 2019 Annual Meeting

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25% FEMALE After the 2019 Annual Meeting, the Board will be 30% FEMALE BOARD TENURE 17% 20% After the 2019 Annual Meeting 33% 20% After the 2019 Annual Meeting 50% 60% After the 2019 Annual Meeting Under 60 61-70 70 and Above 5 Years or Less 6-10 Years 10+ Years

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## **BOARD QUALIFICATIONS**

Among other things, the Board expects each Director to understand our business and the markets in which we operate, monitor economic and business trends, and use his or her perspective, background, experience, and knowledge to provide management with insights and guidance. To that end, the Board is comprised of business savvy Directors with strategic mindsets and meaningful operational skills. The Board continually monitors its members' skills and experience and considers its members' expertise for succession planning and committee assignments.

As part of this evaluation process, the Board and its committees conduct annual self-evaluations and the Chairman of the Board may also engage individual Board members regarding Board or Committee performance. Every three years, the Board engages an independent third party to interview Directors. This third party also provides feedback on Board performance relative to peers.

## **DIVERSITY OF EXPERIENCE**

GLOBAL 11/12 Directors 92% OPS/MANUFACTURING 10/12 Directors 83% PUBLIC COMPANY BOARD  
10/12 Directors 83% AUDIT/FINANCE 8/12 Directors 67% DEALERS/DISTRIBUTION 8/12 Directors 67% CEO  
7/12 Directors 58% TECHNOLOGY 7/12 Directors 58% MARKETING 6/12 Directors 50% DIVERSE 4/12  
Directors 33% REGULATORY/LLEGAL/GOVERNANCE 3/12 Directors 25% MARINE 1/12 Directors 8%

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## **BOARD SELECTION AND REFRESHMENT**

### **THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CANDIDATE SELECTION PROCESS**

IDENTIFY SCREEN INTERVIEW RECOMMEND TO BOARD

### **DIRECTOR CANDIDATE CONSIDERATIONS**

- **INTEGRITY**
- **EXPERIENCE**
- **ACHIEVEMENTS**
- **JUDGMENT**
- **INTELLIGENCE**
- **PERSONAL CHARACTER**
- **DIVERSITY**
- **ABILITY TO MAKE INDEPENDENT ANALYTICAL INQUIRIES**
- **WILLINGNESS TO DEVOTE TIME TO BOARD DUTIES**
- **LIKELIHOOD OF BOARD TENURE**

The Board and the Nominating and Corporate Governance Committee (“Governance Committee”) believe that a diverse Board of Directors is important. Therefore, additional consideration is given to achieving an overall diversity of perspectives, backgrounds, and experiences in Board membership. The Governance Committee may retain a third-party search firm to assist it with identifying or recruiting qualified candidates.

The Principles require a non-employee Director to retire from the Board at the first annual meeting of shareholders following his or her 75th birthday, and for an employee Director to resign when he or she ceases employment with Brunswick. In 2019, two of our Directors, Nolan Archibald and Ralph Stayer, will retire at the Annual Meeting (the first annual meeting since their 75th birthdays) and our former Chairman and CEO, Mark Schwabero, retired at the end of 2018. After the 2019 Annual Meeting, the Board will revert to ten members, its historical size.

The Governance Committee will consider qualified Director candidates who shareholders suggest by written submissions to:

**Brunswick Corporation**

**26125 N. Riverwoods Blvd., Suite 500  
Mettawa, IL 60045**

**Attention: Corporate Secretary’s Office**

fax: **847.735.4433** or email: **corporate.secretary@brunswick.com**

Any recommendation a shareholder submits must include the name of the candidate, a description of the candidate’s educational and professional background, contact information for the candidate, and a brief explanation of why the shareholder believes the candidate is suitable for election. The Governance Committee will apply the same standards in considering Director candidates recommended by shareholders as it applies to other candidates.

In addition to recommending Director candidates to the Governance Committee, shareholders may also, pursuant to procedures established in our Amended By-Laws, directly nominate one or more Director candidates to stand for election through our advance notice or proxy access procedures. In order for a shareholder nominee to be included in our Proxy Statement for an annual meeting, the nomination notice must be provided between 120 and 150 days before the anniversary date that we first mailed our Proxy Statement for the annual meeting of the previous year, and must comply with all applicable requirements in the Amended By-Laws. To nominate Director candidates to stand for election at an annual meeting of shareholders without including them in our proxy materials, a shareholder must deliver written notice of the nomination to Brunswick’s Secretary not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of shareholders. For a special meeting of shareholders, a shareholder wishing to make such a nomination must deliver written notice of the nomination to Brunswick’s Secretary no later than the close of business on the tenth day following the date on which notice of the

meeting is first given to shareholders. In any case, a notice of nomination submitted by a shareholder must include information concerning the nominating shareholder and the shareholder's nominee(s) as required by our Amended By-Laws.

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## **BOARD LEADERSHIP**

The Board remains committed to increasing shareholder value, in part by continually evaluating its own leadership and governance structure. In 2018, the Board prepared for significant executive changes as well as Board refreshment activities, in anticipation of the retirement of two senior Directors and the former CEO. In light of these changes, the Board decided to separate the Chairman and CEO roles, appointing David Foulkes as CEO and Manuel Fernandez, former Lead Independent Director, as non-executive Chairman of the Board, both effective January 2019. The Board believes this structure is optimal at this time, and will leverage both Mr. Fernandez's extensive Board leadership experience in a variety of businesses with strong commercial product offerings and Mr. Foulkes' significant experience with the Company and its operations.

Although the CEO is the Director most familiar with our business, industry, and day-to-day operations, the Chairman of the Board and the independent Directors have invaluable experience and expertise from outside the Company, giving them different perspectives regarding our strategic goals and objectives. As a Director, Mr. Foulkes is well-positioned to bring Company-specific experience to help the Board focus on those issues of greatest importance to the Company and its shareholders.

## **DIRECTOR INDEPENDENCE**

As noted in the Principles, the Board believes that independent Directors should constitute a substantial majority of the Board and that no more than two members of management may serve on the Board at the same time. The Principles provide that a Director shall be considered to be independent if he or she satisfies the general Director independence standards established by the NYSE. The NYSE standards provide that a Director will not be independent unless the Board affirmatively determines that the Director has no material relationship with Brunswick (either directly or as a partner, shareholder, or officer of an organization that has a relationship with Brunswick).

Applying the NYSE standards, and considering all relevant facts and circumstances, the Board has made an affirmative determination that none of the non-management Directors has a material relationship with Brunswick and that all non-management Directors, comprised of Mr. Archibald, Ms. Cooper, Mr. Everitt, Mr. Fernandez, Ms. Flaherty, Mr. McClanathan, Mr. Singer, Mr. Stayer, Ms. Warner, Mr. Whisler, and Mr. Wood are independent. Mr. Foulkes is not independent due to his position as CEO of Brunswick. Mr. Schwabero, a former Director and former CEO, was also not independent due to his role with the Company.

## **RECENT FOCUS AREAS**

Our Board is active and engaged, not only providing outstanding oversight and governance, but also refining procedures consistent with current best practices.

TRANSITION TO MARINE OPERATING MODEL WITH FITNESS SEPARATION ACQUISITIONS AND STRATEGIC GROWTH PLANS BOARD LEADERSHIP, REFRESHMENT, AND EXECUTIVE SUCCESSION TECHNOLOGY AND DATA SECURITY INITIATIVES

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## SHAREHOLDER ENGAGEMENT

Our active investor relations efforts include regular and ongoing engagement with current and potential investors, financial analysts, and the media through conference calls, face-to-face investor meetings, correspondence, conferences, and other events. This ensures that management and the Board understand, consider, and address the issues that matter most to our shareholders. Since 2012, Brunswick has held an Investor Day at least every two years, most recently in February 2019. These Investor Days allow investor access to our top managers to discuss and explain our businesses, update the live and webcast audience on our progress against our current long-term plan, and outline our future plans, strategies, and commitments.

## SHAREHOLDER COMMUNICATION

The Principles provide that our shareholders or other interested parties may, at any time, communicate in writing with the Board, the Chairman of the Board, or the other Independent Directors as a group, by writing to:

**Brunswick Corporation**  
**26125 N. Riverwoods Blvd., Suite 500**  
**Mettawa, IL 60045**  
**Attention: Corporate Secretary's Office**

fax: **847.735.4433** or email: **corporate.secretary@brunswick.com**

The General Counsel will review and distribute to the Board, the Chairman of the Board, or the other independent Directors as a group, as appropriate, copies of written communications received by any of these means, depending on the subject matter and facts and circumstances described in the communication. Communications that are not related to the duties and responsibilities of the Board, or are otherwise considered to be improper for submission to the intended recipient(s), will not be forwarded to the Board, the Chairman of the Board, or the non-management Directors.

## BOARD COMMITTEES

The Board of Directors has five committees: Audit, Finance, Human Resources and Compensation, Nominating and Corporate Governance, and Executive. In addition, two Directors (D. Everitt and D. Singer) are currently serving as Fitness Transaction Leaders, leading the Fitness business separation. Each committee is comprised solely of independent Directors, as that standard is determined by the Principles and the NYSE Listed Company Manual, with the exception of the Executive Committee, of which Mr. Schwabero was a member in 2018 and of which Mr. Foulkes became a member in 2019. Each of the committees may, at its sole discretion and at Brunswick's expense, obtain advice and assistance from outside legal, financial, accounting, or other experts and advisors.

The following table shows the current membership of these committees:

	AUDIT	FINANCE	HUMAN RESOURCES & COMPENSATION	NOMINATING & CORPORATE GOVERNANCE	EXECUTIVE
N. ARCHIBALD					
N. COOPER					
D. EVERITT					
M. FERNANDEZ					
D. FOULKES					
L. FLAHERTY					
J. MCCLANATHAN					
D. SINGER					
R. STAYER					
J. WARNER					
S. WHISLER					
R. WOOD					

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## BOARD COMMITTEES

The principal responsibilities of each of these committees are described generally below and in detail in their respective committee charters, which are available at [www.brunswick.com/company/governance/committees.html](http://www.brunswick.com/company/governance/committees.html), or in print upon request by any Brunswick shareholder.

The Audit Committee assists the Board in overseeing:

- Brunswick's accounting, auditing, and reporting practices;
- its independent registered public accounting firm;
- its system of internal controls;
- The quality and integrity of its financial information and disclosures; and
- its information technology programs

The Committee reviews certain regulatory and compliance matters, policies regarding risk assessment and risk management, corporate tax strategy, cybersecurity, and our Information Security programs. The Audit Committee also receives and investigates any reports made to it concerning possible material violations of law or breaches of fiduciary duty by the Company or any of its officers, directors, employees, or agents. The Audit Committee maintains free and open communication, and meets separately at each regularly scheduled Board meeting with the Company's independent registered public accounting firm, its internal auditors, and management.

The Finance Committee assists the Board as follows:

- Oversees Brunswick's capital allocation and financial structure, including debt structure, financial policies and procedures, capital expenditures, and capital expenditure budgets; and
- Reviews proposals for corporate financing, short-term and long-term borrowings, the declaration and distribution of dividends, material investments and divestitures, share repurchases, insurance coverage, and related matters, as well as the funding and performance of Brunswick's pension plans, hedging practices, and associated derivatives.



The Human Resources and Compensation Committee (the Compensation Committee) assists the Board as follows:

- Annually reviews and approves goals and objectives for Brunswick's senior executives; together with the CEO evaluates the performance of senior executives; and oversees management development and succession planning;

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## BOARD COMMITTEES

Annually reviews and makes recommendations to the Board of Directors about the compensation (including salary, annual incentive, and other cash compensation) of the CEO and, together with the Governance Committee, oversees the annual review of the CEO's performance;

Approves equity awards to the CEO and compensation (including salary, annual incentive, equity-based compensation, and other incentive compensation) to be paid to other senior executives, and authorizes the CEO to approve awards to employees other than senior executives based on criteria established by the Compensation Committee; and

Oversees the development of a compensation philosophy for the Company that is consistent with its long-term strategic goals and does not encourage unnecessary risk-taking.

The Compensation Committee continues to engage Frederic W. Cook & Co., Inc. (FW Cook) to provide advice on various aspects of Brunswick's executive compensation programs. The Committee meets with FW Cook in executive session on a regular basis and FW Cook reports directly to the Committee. The Compensation Committee has assessed the independence of FW Cook pursuant to applicable SEC rules and NYSE listing standards and has concluded that FW Cook's work for the Compensation Committee does not raise any conflict of interest.

The Governance Committee assists the Board as follows:

Oversees policies and programs designed to ensure Brunswick's adherence to high corporate governance and ethical standards and compliance with applicable legal and regulatory requirements;

Together with the Compensation Committee, oversees the annual review of the CEO's performance. The Committee identifies, screens, interviews, and recommends to the Board potential director nominees and officer appointments; and

Oversees other matters related to Board composition, performance, standards, size, and membership, including ensuring appropriate diversity of perspective, background, and experience in Board membership.

The Governance Committee has responsibility for making recommendations regarding director compensation design to the Board of Directors for review and action. Our Human Resources Department and outside consultants provide the Governance Committee with director compensation data as publicly reported, including data relating to peer group and other similarly-sized companies, as well as data from published surveys.

In addition to its standing committees, the Board of Directors has an Executive Committee, comprised of the Chief Executive Officer, the Chairman of the Board, and the Chairs of the Audit, Finance, Compensation, and Governance Committees. The Executive Committee meets from time to time at the request of the Chairman of the Board and, in 2018, the Executive Committee met to consider matters related to the separation of the Fitness business.

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## **GOVERNANCE POLICIES & PRACTICES**

### **BRUNSWICK ETHICS PROGRAM**

Brunswick has adopted the Brunswick Code of Conduct (the Code), which applies to all employees, officers, directors, vendors, suppliers, and agents, and includes standards and procedures for reporting and addressing potential conflicts of interest, as well as a general code of conduct that provides guidelines regarding how to conduct business in an ethical manner. The Board has adopted an additional Code of Ethics for Senior Financial Officers and Managers (the Financial Officer Code of Ethics). The Financial Officer Code of Ethics applies to Brunswick's Chief Executive Officer, Chief Financial Officer, Vice President—Treasurer, Vice President—Tax, Vice President—Internal Audit, Vice President and Controller, and other designated Brunswick employees, and sets forth standards to which these officers and employees are to adhere in areas such as conflicts of interest, disclosure of information, and compliance with laws, rules, and regulations. The Financial Officer Code of Ethics supplements the Code. The Governance Committee, Audit Committee, and our Ethics Office oversee and administer these policies. The Code and the Financial Officer Code of Ethics are available at [www.brunswick.com/company/ethics/codeofethics.php](http://www.brunswick.com/company/ethics/codeofethics.php), and any Brunswick shareholder may obtain them in print upon request. If Brunswick grants a waiver of the policies set forth in the Code or the Financial Officer Code of Ethics, or materially amends either, we will, to the extent required by applicable law, regulation, or NYSE listing standard, disclose that waiver or amendment by making an appropriate statement on our website at [www.brunswick.com](http://www.brunswick.com).

### **TRANSACTIONS WITH RELATED PERSONS**

Pursuant to its charter, the Governance Committee is tasked with the recommendation and review of corporate governance principles, policies, and programs designed to ensure our compliance with high ethical standards and with applicable legal and regulatory requirements, including those relating to conflicts of interest and other business practices that reflect upon our role as a responsible corporate citizen. The Governance Committee oversees the implementation of the Code, which contains our conflicts of interest policy. The Governance Committee reports on these compliance matters to the Board of Directors, which is ultimately responsible for overseeing the Company's ethical and legal compliance, including transactions with "related persons."

Our policy regarding related person transactions (the Related Person Transactions Policy) defines "related persons" to include all Directors and Executive Officers of the Company, all beneficial owners of more than 5 percent of any class of voting securities of the Company, and the immediate family members of any such persons. On a regular basis, we request Directors and Executive Officers to complete a questionnaire including questions designed to identify related persons and any potential related person transactions. Our General Counsel and Controller, or their delegates, review and update a listing of those individuals identified as related persons and provide a copy of this listing to our external auditors on at least an annual basis and more often as warranted. According to the Related Person Transactions Policy,

a related person transaction includes certain transactions in which the Company is a participant and in which a related person has or will have a direct or indirect material interest, including any financial transaction, arrangement, or relationship, or any series of similar transactions, arrangements, or relationships. Certain transactions are excluded from the Related Person Transactions Policy.

If a related person transaction required to be disclosed pursuant to SEC rules is identified, the Related Person Transactions Policy requires that the General Counsel and Controller review the transaction and advise the Chair of the Governance Committee as well as the Chair of the Audit Committee, if appropriate. The Governance Committee may approve or ratify such transaction or, if it determines that the transaction should be considered by the Board of Directors, submit it for consideration by all disinterested members of the Board (the Reviewing Directors). In determining whether to approve or ratify a related person transaction, the Governance Committee and/or the Reviewing Directors will consider relevant factors, including:

- The size of the transaction and the amount payable to a related person;
  - The nature of the interest of the related person in the transaction;
  - Whether the transaction may involve a conflict of interest; and
- Whether the transaction involves the provision of goods or services to the Company that are also available from unaffiliated third parties and, if so, whether the terms of the transaction are at least as favorable to the Company as would be available in comparable transactions with unaffiliated third parties.

The Related Person Transactions Policy was formally codified in a written document in July 2010. Since January 1, 2018, no transaction has been identified as a related person transaction and, therefore, no transaction was referred to the Board or any Board committee for review in that time period.

## **RISK MANAGEMENT**

The Board of Directors has an active role in overseeing effective management of our risks and regularly reviews information regarding our credit, liquidity, cash flow, and business operations, including any associated risks, such as cybersecurity and regulatory risks. The Board conducts an annual, in-depth review of our business, which includes detailed analysis and consideration of strategic, operational, financial, legal, competitive, compliance, and compensation risk areas. Although the Board as a whole has responsibility for risk oversight, each Board Committee addresses relevant risk topics as part of its Committee responsibilities. The Committees oversee our risk profile and exposures relating to matters within the scope of their authority and provide periodic reports to the full Board about their deliberations and recommendations. The Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation plans and overall compensation philosophy.

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Historically, in an ongoing effort to manage risk, we have maintained a level of financial prudence associated with our compensation programs which we plan to continue. In assessing whether risks arising from our compensation programs or policies were reasonably likely to have a material adverse effect on the Company, senior management reviewed our compensation programs and practices for all employees, the potential risk exposure presented by those programs and practices, and the factors, tools, and processes that mitigate those risks. As part of its 2018 review, management considered the compensation arrangements currently in place for employees and officers and, following this review, management determined, and the Compensation Committee agreed, that none of our compensation programs or policies creates risks that are reasonably likely to have a material adverse effect on the Company.

As part of this process, management presented a summary to the Compensation Committee for discussion. The summary listed each compensation program and policy applicable to the various groups of Brunswick employees and officers, the potential risks presented by that program or policy, and the risk mitigation tools or processes employed by the Company to mitigate the related risks.

The compensation programs and policies covered by the summary included payments in the forms of base salaries, annual incentive compensation, and equity-based awards. The risk mitigation tools covered by the summary included the following: (1) the plans were capped at maximum payout levels that, while creating incentives for superior business performance, were not so great as to entice undue risk-taking; (2) the performance metrics to achieve above-target payouts under the plans were not unduly leveraged (that is, small increments of above-target performance would not result in disproportionate increases in calculated plan bonus amounts); and (3) the annual incentive plans contain negative discretion provisions that can be (and have been) exercised to reduce or eliminate calculated payout results. This mechanism places final control of plan payouts with our Board of Directors. Other compensation risk mitigants in place include robust stock ownership requirements for Executives, an established clawback policy, and no hedging or pledging of shares by employees.

In addition to senior management's review, members of our Human Resources Department conduct an annual assessment of all executive and non-executive incentive plans to ensure that they are aligned with our strategic business objectives. In 2018, our Human Resources representatives conducted a full review of the potential risks associated with our incentive plans and engaged in the following analysis:

- Identified the metrics governing each incentive-based compensation program;
- Assessed the performance metrics of the incentive programs to ensure that they are consistent with our short-term and long-term goals;
- Reviewed the potential range of payouts pursuant to confirm that payouts are reasonable in relation to the economic gain associated with achievement of the metrics;
- Ensured that the plans establish maximum payout amounts, or caps, for the calculation of payments, as appropriate; and
- Verified that our management team and/or the Board of Directors retain the right to modify, suspend, and/or terminate the plans and corresponding payouts without prior notice.

The Human Resources representatives considered all of the foregoing information, specifically assessing each of our incentive plans to identify any provisions that might cause employees to act in a manner that would create risks that are reasonably likely to have a material adverse effect on the Company. No such provisions were identified.

In addition, the Compensation Committee engages in a comprehensive annual review of the Brunswick Performance Plan (BPP), our primary annual incentive plan, and its performance measures. The Compensation Committee assesses the BPP in conjunction with our overall strategic business objectives, as well as its forecast and budget. In 2018, the Committee also assessed each of our compensation programs, ensuring that they were consistent with and aligned with our short- and long-term business objectives. The Compensation Committee reviewed the 2018 BPP and determined that its plan design would effectively encourage employees to engage in appropriate and responsible behavior without unnecessary risk-taking that could have a negative impact on the Company. In addition, the BPP contains a negative discretion clause that expressly empowers the Compensation Committee to limit or reduce the BPP payout under the BPP's formula, based on extenuating circumstances and business outlook.

The majority of our non-executive incentive plans adopt the BPP's performance metrics, ensuring that the plans encourage and reward appropriate behavior throughout the organization. For those few incentive plans at the division level that do not mirror the BPP, Brunswick management performs a similar analysis of the plans on an annual basis in order to identify and remediate any potential negative behaviors that might result.

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## SUSTAINABILITY, SOCIAL & ENVIRONMENTAL RESPONSIBILITY

We remain committed to social and environmental responsibility and global sustainability. Our programs are active and gaining momentum as we continue to address environmental, social, and governance objectives. We have undertaken initiatives to reduce our environmental impact and to ensure a healthy and safe workplace. For example, for the eighth consecutive year, the Wisconsin Sustainable Business Council awarded our largest division, Mercury Marine, which maintains a significant manufacturing presence in Wisconsin a “Green Masters” designation in its program measuring a broad range of sustainability measures including energy and water conservation, waste management, community outreach, and education. Using our environmental management system processes, we continue to develop technologies to reduce engine and air emissions both in the production of our products and during their use. In recognition of its effort in this regard, Mercury Marine was awarded the Wisconsin Business Friend of the Environment Award in 2018 for the development of products that reduce the carbon footprint of boats and engines in use.

Further, across all Company operations, we actively maintain policies and best practices regarding workplace health and safety that promote the operation of our businesses in a manner that is environmentally responsible and protects the health and safety of our employees and the public. These include commitments from all of our employees through our Code of Conduct and commitments from our suppliers through our Supplier Code of Conduct. Please see our website, [www.brunswick.com](http://www.brunswick.com), under the “Ethics” and “Governance” sections to review these policies.

In 2019, Brunswick will undertake a broader, enterprise-wide sustainability initiative related to our marine operations, setting forth long-term goals for energy use, the environment, our products, and employee health and well-being. Since 2011, Mercury Marine has produced a sustainability report detailing specific program results and longer-term objectives related to energy, environment, products, and people. Mercury Marine has met or exceeded these goals. To learn more about Mercury Marine’s sustainability program, see Mercury Marine’s 2018 Sustainability Report on the Mercury Marine website at [www.mercurymarine.com](http://www.mercurymarine.com).



[Back to Contents](#)**DIRECTOR COMPENSATION**

## 2018 DIRECTOR COMPENSATION TABLE

The table below summarizes the compensation we paid to non-employee Directors for the fiscal year ended December 31, 2018.

Director <sup>(1)</sup>	Fees Earned or Paid in Cash <sup>(2)</sup>	Stock Awards <sup>(3)</sup>	All Other Compensation <sup>(4)</sup>	Total
<b>NOLAN D. ARCHIBALD</b>	\$92,500	\$138,551	\$30,000	\$261,051
<b>NANCY E. COOPER</b>	\$92,500	\$147,423	\$30,000	\$269,923
<b>DAVID C. EVERITT</b>	\$92,500	\$140,010	\$30,000	\$262,510
<b>MANUEL A. FERNANDEZ</b>	\$92,476	\$214,551	\$30,000	\$337,027
<b>LAUREN PATRICIA FLAHERTY<sup>(5)</sup></b>	—	—	—	—
<b>JOSEPH W. MCCLANATHAN</b>	\$28,260	\$43,816	\$2,527	\$74,603
<b>DAVID V. SINGER</b>	\$92,476	\$161,064	\$30,000	\$283,540
<b>RALPH C. STAYER</b>	\$92,476	\$161,064	\$19,128	\$272,668
<b>JANE L. WARNER</b>	\$92,476	\$156,017	\$30,000	\$278,493
<b>J. STEVEN WHISLER</b>	\$92,476	\$165,924	\$30,000	\$288,400
<b>ROGER J. WOOD</b>	\$92,476	\$161,064	\$30,000	\$283,540

*Mark Schwabero, our former Chairman and CEO, was not included in this table as he was an employee of the (1) Company in 2018 and received no additional compensation for his service as a director. The compensation Mr. Schwabero received as a Company employee in 2018 is shown in the Summary Compensation Table.*

*Amounts in this column reflect the 2018 annual cash fees earned by each non-employee director. Mr. Fernandez, (2) Mr. McClanathan, Mr. Singer, Mr. Stayer, Ms. Warner, Mr. Whisler, and Mr. Wood elected to receive the 2018 annual cash fees in the form of deferred Common Stock, with a 20 percent premium.*

*This column represents the dollar amount recognized for financial statement reporting purposes with respect to the 2018 fiscal year in accordance with FASB ASC Topic 718. Amounts in this column represent the portion of fees (3) required to be paid to Directors in the form of Common Stock, as well as the 20 percent premium that is received by those Directors who elected to receive the cash portion of their fees in the form of deferred Common Stock. For assumptions used in the valuation of such awards, see Note 18 to the financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.*

The grant date fair value of awards in this column is as follows:

<b>Director</b>	<b>Grant Date Fair Values of Shares of Common Stock</b>	<b>Grant Date Fair Values of Shares Attributable to 20% Premium Applied to Deferral of Fees</b>
<b>NOLAN D. ARCHIBALD</b>	\$138,551	—
<b>NANCY E. COOPER</b>	\$147,423	—
<b>DAVID C. EVERITT</b>	\$140,010	—
<b>MANUEL A. FERNANDEZ</b>	\$196,050	\$18,501
<b>LAUREN PATRICIA FLAHERTY</b>	—	—
<b>JOSEPH W. MCCLANATHAN</b>	\$38,185	\$5,631
<b>DAVID V. SINGER</b>	\$142,563	\$18,501
<b>RALPH C. STAYER</b>	\$142,563	\$18,501
<b>JANE L. WARNER</b>	\$137,516	\$18,501
<b>J. STEVEN WHISLER</b>	\$147,423	\$18,501
<b>ROGER J. WOOD</b>	\$142,563	\$18,501

*(4) The amounts shown in this column include our cost of products provided pursuant to the Brunswick Product Program during our fiscal year ended December 31, 2018.*

*(5) Lauren Patricia Flaherty was appointed Director on December 4, 2018.*

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The following table sets forth the aggregate number of outstanding stock awards held by each non-employee Director as of December 31, 2018:

<b>Director</b>	<b>Aggregate Number of Stock Awards Outstanding at December 31, 2018</b>
<b>NOLAN D. ARCHIBALD</b>	4,535
<b>NANCY E. COOPER</b>	—
<b>DAVID C. EVERITT</b>	—
<b>MANUEL A. FERNANDEZ</b>	4,535
<b>LAUREN PATRICIA FLAHERTY</b>	—
<b>JOSEPH W. MCCLANATHAN</b>	—
<b>DAVID V. SINGER</b>	—
<b>RALPH C. STAYER</b>	4,535
<b>JANE L. WARNER</b>	—
<b>J. STEVEN WHISLER</b>	1,656
<b>ROGER J. WOOD</b>	—

#### **NARRATIVE TO DIRECTOR COMPENSATION TABLE**

#### **ANNUAL FEES AND DEFERRED STOCK AWARDS**

Non-employee Directors are entitled to an annual retainer of \$225,000, with \$95,000 payable in cash and \$130,000 payable in Common Stock. In 2018, the Lead Independent Director received \$50,000 paid in Brunswick stock. Effective in 2019, the Chairman of the Board will receive an annual retainer of \$150,000 paid in Brunswick stock. The Fitness Transaction Leaders receive \$15,000 per month, payable in cash, during the time period in which they serve in this capacity.

Chairs of committees and members of certain committees receive additional annual retainers paid in Brunswick stock, as follows:

- Audit Committee Chair: \$20,000
- Compensation Committee Chair: \$15,000
- Finance and Governance Committee Chairs: \$12,000

- Audit Committee members: \$10,000
- Compensation Committee members: \$7,500
- Finance and Governance Committee members: \$5,000

For the portion of each Director's total annual fee paid in Common Stock, the number of shares is determined by the closing price of Common Stock on the date of the award and is reported in the "Stock Awards" column of the Director Compensation Table. The receipt of these shares may be deferred until a Director retires from the Board. Each Director may elect to have the cash portion of the annual fee paid as follows:

- In cash;
- In Common Stock distributed currently; or
- In deferred Common Stock with a 20 percent premium.

For Directors who elect to receive the cash portion in deferred Common Stock, the number of shares to be received upon retirement is determined by multiplying the cash amount by 1.2, then dividing that amount by the closing price of Common Stock on the date of the award.

## **SHARE OWNERSHIP GUIDELINES**

As set forth in the Principles, within five years after the date on which a Director first became a Director, and thereafter for so long as each Director is a Director of the Company, each Director is required to own Common Stock and deferred stock units of the Company equal to five times the amount of the Director's annual cash retainer. Once having met this threshold, if a Director falls below the threshold as a result of a decline in our stock price, the Director shall have a two-year period within which to once again achieve the threshold. We calculate compliance with these guidelines annually, using the average Brunswick stock price for the prior calendar year. As of December 31, 2018, all Directors were in compliance with the share ownership requirements.

## **BRUNSWICK PRODUCT PROGRAM**

Directors are encouraged to use Brunswick products to enhance their understanding and appreciation of Brunswick's business. Directors receive an annual allowance of up to \$30,000 which may be applied to purchase Brunswick products at discounted rates and/or fund expenses incurred with regard to the ownership of such products. The value of the products is included in the Directors' taxable income. Directors may also purchase additional Brunswick products at their own expense, at discounted rates.

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[Back to Contents](#)**STOCK HELD BY DIRECTORS, EXECUTIVE OFFICERS, AND PRINCIPAL SHAREHOLDERS**

Each Director, each Executive Officer listed in the 2018 Summary Compensation Table, and all Directors and Executive Officers as a group owned the number of shares of Common Stock set forth in the following table as of March 11, 2019, with sole voting and investment power except as otherwise noted:

<b>Director/Executive Officer</b>	<b>Number of Shares Beneficially Owned</b>	<b>Percent of Class</b>
<b>NOLAN D. ARCHIBALD</b>	89,814 <sup>(1)</sup>	*
<b>NANCY E. COOPER</b>	11,242	*
<b>DAVID C. EVERITT</b>	17,333 <sup>(1)</sup>	*
<b>MANUEL A. FERNANDEZ</b>	113,861 <sup>(1)</sup>	*
<b>LAUREN PATRICIA FLAHERTY</b>	410 <sup>(1)</sup>	*
<b>JOSEPH W. MCCLANATHAN</b>	2,637 <sup>(1)</sup>	*
<b>DAVID V. SINGER</b>	25,254 <sup>(1)</sup>	*
<b>RALPH C. STAYER</b>	51,163 <sup>(1)</sup>	*
<b>JANE L. WARNER</b>	18,659 <sup>(1)</sup>	*
<b>J. STEVEN WHISLER</b>	59,895 <sup>(1)</sup>	*
<b>ROGER J. WOOD</b>	33,996 <sup>(1)</sup>	*
<b>DAVID M. FOULKES</b>	8,893 <sup>(2)</sup>	*
<b>MARK D. SCHWABERO<sup>(4)</sup></b>	299,611 <sup>(2)(3)</sup>	*
<b>WILLIAM L. METZGER</b>	183,948 <sup>(2)(3)</sup>	*
<b>JOHN C. PFEIFER</b>	52,731 <sup>(2)</sup>	*
<b>HUW S. BOWER</b>	6,804 <sup>(2)</sup>	*
<b>JAIME A. IRICK</b>	—	—
<b>ALL DIRECTORS &amp; EXECUTIVES AS A GROUP</b>	1,024,406 <sup>(2)</sup>	1.2%

*Includes the following shares of Brunswick Common Stock issuable to non-employee Directors, receipt of which has been deferred until the date of the director's retirement from the Board: Mr. Archibald 76,855 shares, Mr. Everitt 17,333 shares, Mr. Fernandez 104,426 shares, Ms. Flaherty 368 shares, Mr. McClanathan 2,597 shares, Mr. Singer 2,318 shares, Mr. Stayer 23,953 shares, Ms. Warner 18,538 shares, Mr. Whisler 52,827 shares, and (1) Mr. Wood 33,931 shares. Excludes 9,271 shares of Brunswick Common Stock issuable to Mr. Singer and 77,678 shares issuable to Mr. Stayer, receipt of which has been deferred. Messrs. Singer and Stayer will be entitled to receive these deferred shares in predetermined installments, which will commence at varying times in accordance with their election following their retirement from the Board of Directors.*

*(2) Includes the following shares of Brunswick Common Stock issuable pursuant to stock-settled SARs exercisable within 60 days of March 11, 2019: Mr. Foulkes 2,000 shares, Mr. Schwabero 103,300 shares, Mr. Metzger 66,800 shares, Mr. Pfeifer 23,950 shares, and all executive officers as a group 203,337 shares. Includes the following shares of Brunswick Common Stock held by the Brunswick Savings Plan as of December 31, 2018: Mr. Foulkes*

826 shares, Mr. Metzger 1,137 shares, Mr. Bower 31 shares, and all executive officers as a group 3,094 shares. Excludes the following shares of Brunswick Common Stock issuable to officers, receipt of which has been deferred: Mr. Foulkes 5,921 shares and Mr. Pfeifer 13,088 shares. Mr. Foulkes and Mr. Pfeifer will be entitled to receive these deferred shares in predetermined installments which will commence at varying times, in accordance with plan terms, none within 60 days of the Record Date.

(3) Excludes Restricted Stock Units (RSUs) owned under the “Rule of 70 or Age 62” terms of awards but not distributable for three years from the grant date.

(4) Mr. Schwabero retired as Chairman and Chief Executive Officer effective December 31, 2018. This table therefore reflects the number of shares beneficially owned by Mr. Schwabero as of December 31, 2018.

These shareholders known to us to beneficially own more than 5 percent of our outstanding Common Stock as of March 11, 2019 are:

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class
<b>BLACKROCK, INC.</b> 55 East 52nd Street, New York, NY 10055	7,669,657 <sup>(1)</sup>	8.80%
<b>THE VANGUARD GROUP, INC.</b> 100 Vanguard Blvd., Malvern, PA 19355	7,649,022 <sup>(2)</sup>	8.81%

*This information is based solely on a Schedule 13G/A filed by BlackRock, Inc. (BlackRock) with the SEC on (1) February 4, 2019. BlackRock has sole voting power over 7,281,200 shares and sole dispositive power over 7,669,657 shares as of December 31, 2018.*

*This information is based solely on a Schedule 13G/A filed by The Vanguard Group, Inc. (Vanguard) with the SEC (2) on February 11, 2019. Vanguard has sole voting power over 42,223 shares, shared voting power over 11,236 shares, sole dispositive power over 7,604,163 shares, and shared dispositive power over 44,859 shares as of December 31, 2018.*

## SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our Directors, Executive Officers, and beneficial owners of more than 10 percent of Common Stock to file initial reports of ownership and reports of changes in ownership with the SEC. Based on a review of the copies of such forms furnished to the Company and written representations from the Company’s Directors and Executive Officers, the Company believes that all forms were filed in a timely manner during 2018.

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## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes our overall executive compensation policies and practices and specifically analyzes the total compensation for the Named Executive Officers (NEOs). The NEOs are:

<b>DAVID M. FOULKES*</b> Chief Executive Officer	<b>MARK D. SCHWABERO</b> Former Chairman & Chief Executive Officer	<b>WILLIAM L. METZGER</b> Senior Vice President & Chief Financial Officer
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<b>JOHN C. PFEIFER</b> Senior Vice President & President	<b>HUW S. BOWER</b> Vice President & President	<b>JAIME A. IRICK</b> Former Vice President & President
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*\*In 2018, Mr. Foulkes served as Brunswick's Vice President and Chief Technology Officer and President, Brunswick Marine Consumer Solutions.*

### BUSINESS HIGHLIGHTS

Our 2018 results represent the ninth consecutive year of growth, resulting from strong operating performance from our marine businesses.





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## **BUSINESS HIGHLIGHTS**

### **GENERATE REVENUE GROWTH**

Ended the year with a 7 percent increase in net sales when compared with 2017 on a GAAP basis.

- o Our combined Marine segments reported strong growth in the Marine Engine segment and solid growth in the Boat segment;

- o Marine Engine segment sales benefited from significant growth in propulsion, primarily as a result of organic growth in the outboard engine business, as well as steady growth in the marine parts and accessories businesses; and

- o Excluding the impact of Sport Yacht and Yacht operations, sales increased across all three primary boat categories, with strong growth in the saltwater fishing category, primarily driven by Boston Whaler, and solid growth in the recreational fiberglass and aluminum fishing categories.

### **GROW EARNINGS BEFORE INCOME TAX**

Reported earnings before income taxes of \$322.2 million in 2018 compared with earnings before income taxes of \$281.2 million in 2017; and

Adjusted<sup>(1)</sup> earnings before income taxes were \$530.4 million in 2018 versus \$504.5 million in 2017.

### **STRONG FREE CASH FLOW**

Generated free cash flow of \$208.8 million in 2018, enabling the Company to continue executing its capital strategy.

- o Completed acquisition of Power Products for \$909.6 million during 2018, funded mostly with proceeds from \$800 million of term loans;

- o Funded organic investments through capital expenditures, which included investments in new products as well as capacity expansions, primarily within the Marine Engine segment;

- o Contributed \$163.8 million to the Company's qualified and nonqualified defined benefit pension plans in connection with our de-risking and plan exit activities; and

- o Enhanced shareholder returns in 2018 by repurchasing \$75.0 million of common stock under the Company's share repurchase program and increased cash dividends paid to shareholders to \$67.8 million.

Ended the year with \$304.2 million of cash and marketable securities.

*(1) Please see the Appendix for a reconciliation of non-GAAP measures.*

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## **2018 SAY-ON-PAY EXECUTIVE COMPENSATION VOTE**

At its 2018 Annual Meeting, shareholders overwhelmingly approved our “say on pay” proposal (shareholders cast 91.75 percent of votes for the proposal). We were pleased with this significant vote of confidence in our pay practices and did not make any direct changes to our compensation programs as a result of the vote. Nevertheless, we did make some changes to our compensation programs in 2018 to further reinforce our pay-for-performance philosophy and align management compensation with shareholder interests.

## **KEY COMPENSATION DECISIONS IN 2018**

### **ANNUAL INCENTIVE PLAN**

All NEOs participated in the annual incentive plan called the Brunswick Performance Plan (BPP) which included divisional EBIT to reward division performance, while maintaining a meaningful portion of the award tied to overall Brunswick Earnings Per Share (EPS). Specifically, the 2018 BPP for the NEOs contained performance measures attributable to each of the divisions in addition to corporate EPS. On an enterprise basis, actual performance in 2018 was above the performance targets set for the 2018 BPP, and we paid NEOs aggregate awards under the plan at approximately 101 percent of target opportunity. For additional information on the annual incentive plan, see “Achievement of Targeted Results” on page 36 below.

### **LONG-TERM INCENTIVES**

We grant performance-based equity in the form of Performance Shares to certain key senior executives, including each of the NEOs. Starting with the awards granted in 2015, performance underlying the awards is measured based on Cash Flow Return on Investment (CFROI) and Operating Margin and Brunswick’s total shareholder return performance relative to the TSR of an established peer group, as measured over a three-year performance period. We believe Performance Shares strengthen our pay-for-performance philosophy and align management’s long-term goals with our key strategic initiatives. Actual performance for the 2016 Performance Shares award fell below the three-year targets and awards paid under the plan were at 84 percent of target opportunity. For additional information, see page 38. In addition, the Company continues to provide Restricted Stock Units (RSUs) as part of equity compensation delivered to reinforce key retention initiatives and to align with shareholder interests.

### **MANAGEMENT SUCCESSION ACTIVITIES**