

Securities and Exchange Commission
Washington, D.C. 20549

Form 10-K

Annual report pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934 [Fee Required]

For the fiscal year ended December 31, 1995

Commission file number 1-1043

Brunswick Corporation
(Exact name of registrant in its charter)

Delaware 36-0848180
(State of Incorporation) (I.R.S. Employer Identification No.)

1 N. Field Ct. 60045-4811
Lake Forest, Illinois (zip code)
(Address of principal executive offices)

Registrant's telephone number, including area code: (847) 735-4700

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

Title of each class	Name of each exchange on which registered
Common Stock (\$.75 par value)	New York, Chicago, Pacific, Tokyo and London Stock Exchanges

Securities Registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements the past 90 days. Yes X . No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of of the registrant's knowledge, in the definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.
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As of March 15, 1996, the aggregate market value of the voting stock of the registrant held by non-affiliates was \$ 2,229,150,409. Such number excludes stock beneficially owned by officers and directors. This does not constitute an an admission that they are affiliates.

The number of shares of Common Stock (\$.75 par value) of the registrant outstanding as of March 15, 1996, was 98,245,452.

Documents Incorporated by Reference

Part III of this Report on Form 10-K incorporates by reference certain information from the Company's definitive Proxy Statement for the Annual Meeting scheduled to be held on April 24, 1996.

Part I

Item 1. Business

Brunswick Corporation (the "Company") is organized into six divisions with operations in two industry segments: Marine and Recreation. Segment information is contained in Note 9 on page 37.

Marine

The Marine industry segment consists of the Mercury Marine Division, which manufactures and sells marine propulsion systems, and the US Marine, Sea Ray and Fishing Boat Divisions, which manufacture and sell pleasure and fishing boats. The Company believes it has the largest dollar volume of sales of recreational marine engines and pleasure boats in the world.

The Mercury Marine Division manufactures and sells Mercury, Mariner and Force outboard motors, MerCruiser gasoline and diesel inboard and stern drive engines, and the Sport-Jet propless jet system. Outboard motors are sold through marine dealers for pleasure craft and commercial use and to both the Company's US Marine, Sea Ray and Fishing Boat Divisions and independent boat dealers. The MerCruiser engines and the water-jet systems are sold principally to boatbuilders, including the Company's US Marine, Sea Ray and Fishing Boat Divisions.

New Environmental Protection Agency guidelines that become effective in mid-1997 call for reduced hydrocarbon and nitrous oxide exhaust emissions from marine engines over a nine-year period. Two cycle outboard engines are the principal engines which do not currently meet the proposed EPA guidelines. Stern drive engines are four cycle engines, which with only minor modifications will satisfy the EPA guidelines. Mercury Marine expects to meet the proposed emission standards.

Four cycle outboard engines in the 5 to 100 horsepower range which meet the EPA guidelines can be developed with existing technology, and Mercury Marine already produces four cycle 9.9 and 50 horsepower outboard engines which satisfy the EPA guidelines. Mercury Marine has an agreement with Yamaha Motors Co., Ltd. to co-develop additional four cycle outboard engines. Mercury Marine also has license and joint venture agreements with Orbital Engine Corporation, Ltd., of Australia to design, manufacture and market fuel systems for low emission, two cycle engines. In 1995 Mercury Marine developed a DFI (direct fuel injection) 3.0 liter V-6 200 horsepower outboard engine using Orbital Engine technology which more than satisfies the proposed EPA guidelines. This engine will be produced in 1996 and will be the first of a full line of two cycle outboard engines now being developed by Mercury Marine to meet the EPA standards.

The Mercury Marine Division also manufactures and sells replacement parts for engines and outboard motors and marine accessories, including steering systems, instruments, controls, propellers, service aids and marine lubricants. These products are marketed through marinas, dealers and boatbuilders under the Quicksilver brand name.

Mercury Marine products are manufactured in North America and Europe for global distribution. International assembly facilities are located in Belgium and Mexico, and offshore distribution centers are in Belgium, Japan and Australia. Trademarks for Mercury Marine products include MerCruiser, Mercury, Mariner, Force and Quicksilver.

The US Marine Division builds and sells several brands of fiberglass pleasure and fishing boats, ranging in size from 16 to 56 feet. Bayliner is the Division's oldest and most well known brand, with offerings that include jet powered boats, family runabouts, cabin cruisers, sport fishing boats and luxury motor yachts. Other brands include Maxum (runabouts and cabin cruisers), Trophy and Robalo (sports fishing boats), and Quantum (freshwater fishing boats).

The US Marine Division is vertically integrated, producing many of the parts and accessories which make up the boats. Escort boat trailers also are produced by the Division and are sold with smaller boats as part of boat-motor-trailer packages. Outboard motors and stern drive and inboard engines are purchased from the Mercury Marine Division.

The US Marine Division's boats, Escort boat trailers, and parts and accessories are sold through dealers. Trademarks for US Marine products include Bayliner, Maxum, Quantum, Robalo, Ciera, Trophy, Jazz, Escort and US Marine.

The Sea Ray Division builds and sells Sea Ray fiberglass boats from 14 to 65 feet in length, including luxury motor yachts, cabin cruisers, sport fishing boats, sport boats, runabouts, water skiing boats, and jet powered boats. Sea Ray use and are sold with outboard motors, jet powered engines, stern drive engines and gasoline or diesel inboard engines. The Division purchases its outboards and most of its stern drive and gasoline inboard engines from the Mercury Marine Division.

Sea Ray boats are sold through dealers under the Sea Ray, Laguna, Ski Ray, Sea Rayder and Baja trademarks.

The Fishing Boat Division manufactures and sells fiberglass and aluminum boats for the sport fishing and recreational boating markets. Some of these boats are equipped with Mercury, Mariner or Force outboard motors at the factory and are sold in boat-motor-trailer packages by marine dealers. The Fishing Boat Division's boats are sold through dealers under the Astro, Fisher, MonArk, Procraft, Starcraft, and Spectrum trademarks.

The Company has a minority interest in Tracker Marine, L.P., a limited partnership which manufactures and markets boats, motors, trailers and accessories. The Company has various agreements with Tracker Marine, L.P., including contracts to supply outboard motors, trolling motors and various other Brunswick products for Tracker Marine boats.

The Company's Marine segment sales to unaffiliated customers include sales of the following principal products for the three years ended December 31, 1995, 1994, and 1993:

	(in millions, unaudited)		
	1995	1994	1993
Boats	\$1,169.9	\$ 956.6	\$ 754.5
Engines	1,112.3	1,034.1	816.7
	\$2,282.2	\$1,990.7	\$1,571.2

Boat sales include the value of engines when such engines are sold as a component of a finished boat. Engine sales include sales to boat manufacturers which are not Company-owned, marine dealers and others, when the engine is not sold with a Company-manufactured boat.

Recreation

There are two divisions in the Recreation industry segment: Zebco and Brunswick Indoor Recreation Group.

The Zebco Division manufactures, assembles, purchases and sells spincast, spinning and baitcast fishing reels, rods, reel/rod combinations, Martin fly reels and reel/rod combinations, and Swivl-Eze fishing pedestals and ski tows and pylons. The Division also manufactures and sells electric trolling motors for fishermen and for use by boat manufacturers, including Marine segment operations. In March 1996 the Zebco Division acquired Roadmaster Industries, Inc.'s Nelson/Weather-Rite Division, which manufactures, purchases and sells camping products including sleeping bags, tents, backpacks, canvas bags, rainwear, waders and portable stoves.

The Brunswick Indoor Recreation Group manufactures and sells products for the bowling industry, including bowling lanes, automatic pinsetters, ball returns, computerized scoring equipment and business systems. In addition, the Group manufactures and sells seating and locker units for bowling centers; bowling pins, lane finishes and supplies; and bowling balls and bags. The Group also sells billiards tables which are manufactured for the Company to its specifications.

The Brunswick Indoor Recreation Group has a 50% interest in Nippon Brunswick K. K., which sells bowling equipment and operates bowling centers in Japan. The Group has other joint ventures (i) to build, own and operate bowling centers and family entertainment centers, which include bowling, billiards and many other games, in Brazil, China, Korea and Thailand; (ii) to sell bowling equipment in China and Thailand; and (iii) to build, own and operate recreation centers containing the Q-Zar laser tag game and to sell Q-Zar laser tag equipment in Brazil and Mexico.

The Brunswick Indoor Recreation Group also operates 126 recreation centers worldwide, and its joint ventures operate an additional 28 centers. Recreation centers are bowling centers which offer, in varying degrees depending on size and location, the following additional activities and services: billiards and other family games, children's playrooms, restaurants and cocktail lounges. The Group owns most of its recreation centers. The Group in 1995 introduced Cosmic Bowling, a glow in the dark bowling experience that transforms bowling into a new and different recreation experience that has significantly increased open play revenues in more than 20 of its recreation centers. Another 20 to 40 centers will feature this concept in the near future, and it will be packaged and it will be offered to other proprietors in 1996. The Group intends to bring the family entertainment concept to North America. Two completely new centers with bowling and billiards as the core forms of entertainment--but with many other games and recreational activities available for the entire family--will open in 1996, one in Canada, the other in the United States.

The Brunswick Indoor Recreation Group is in the process of selling its golf shaft business and has liquidated its Circus World Pizza business.

Among the Company's trademarks in the recreation field are Zebco, Quantum, Pro Staff, Classic and Martin fishing equipment, MotorGuide, Stealth and Thruster electric trolling motors, Swivl-Eze fishing pedestals and ski tows and pylons, American Camper and Weather-Rite camping equipment and Cloud 9, Expedition Trails and American Trails sleeping bags, Brunswick Recreation Centers, Leiserv, Brunswick, AS-90, Armor Plate 3000, Anvilane, BallWall, Guardian, Perry-Austen, Rhino, GS Series, Systems 2000, BowlerVision, Colorvision and Frameworx bowling equipment. Browning S.A. has licensed the Zebco Division to manufacture and sell Browning fishing equipment. Recreation products are distributed, mainly under these trademarks, to mass merchants, distributors, dealers, bowling centers and retailers by the Company's salesmen and manufacturers' representatives and to the recreation centers operated by the Company. Recreation products are distributed worldwide from regional warehouses, sales offices and factory stocks of merchandise.

Raw materials

Many different raw materials are purchased from various sources. At the present time, no critical raw material shortages are anticipated in either of the Company's industry segments. General Motors Corporation is a significant supplier of the gasoline engine blocks used to manufacture the Company's gasoline stern drives.

Patents, trademarks and licenses

The Company has and continues to obtain patent rights, consisting of patents and patent licenses, covering certain features of the Company's products and processes. The Company's patents, by law, have a limited life, and rights expire periodically.

In the Marine segment, patent rights principally relate to boats and features of outboard motors and inboard-outboard drives including die-cast powerheads, cooling and exhaust systems, drive train, clutch and gearshift mechanisms, boat/engine mountings, shock absorbing tilt mechanisms, ignition systems, propellers, spark plugs, and fuel and oil injection systems.

In the Recreation segment, patent rights principally relate to computerized bowling, scorers and business systems, bowling lanes and related equipment, game tables, fishing reels and electric trolling motors.

Although the Company has important patent and patent license positions, the Company believes that its performance is mainly dependent upon its engineering, manufacturing, and marketing capabilities.

The Company has many trademarks associated with its various divisions and applied to its products. Many of these trademarks are well known to the public and are considered valuable assets of the Company. Significant trademarks are listed on pages 2-4 herein.

Order backlog

Order backlog is not considered to be a significant factor in the businesses of the Company, except for bowling capital equipment. The backlog of bowling capital equipment at December 31, 1995 was \$38.3 million, and the Company expects to fill all of such orders during 1996. The backlog of bowling capital equipment at December 31, 1994 was \$35.0 million.

Competitive conditions and position

The Company believes that it has a reputation for quality in its highly competitive lines of business. The Company competes in its various markets by utilizing efficient production techniques and innovative marketing, advertising and sales efforts, and by providing high quality products at competitive prices.

Strong competition exists with respect to each of the Company's product groups, but no single manufacturer competes with the Company in all product groups. In each product area, competitors range in size from large, highly diversified companies to small producers. The following paragraphs summarize what the Company believes its position is in each area.

Marine. The Company believes it has the largest dollar volume of sales of recreational marine engines and pleasure boats in the world. The domestic marine engine market includes relatively few major competitors. There are 10-12 competitors in outboard engine markets worldwide, and foreign competition continues in the domestic marine engine market. The marine engine markets are experiencing pricing pressures. The marine accessories business is highly competitive.

There are many manufacturers of pleasure and fishing boats, and consequently, this business is highly competitive. The Company competes on the basis of quality, value, performance, durability, styling and price. Demand for pleasure and fishing boats and marine engines is dependent on a number of factors, including economic conditions, the availability of fuel and marine dockage and, to some extent, prevailing interest rates and consumer confidence in spending discretionary dollars.

Recreation. The Company competes directly with many manufacturers of recreation products. In view of the diversity of its recreation products, the Company cannot identify the number of its competitors. The Company believes, however, that in the United States, it is one of the largest manufacturers of bowling equipment and fishing reels.

Certain bowling equipment, such as automatic scorers and computerized management systems, represents innovative developments in the market. For other recreation products, competitive emphasis is placed on pricing and the ability to meet delivery and performance requirements.

The Company maintains a number of specialized sales forces that sell equipment to distributors and dealers and also, in some cases, to retail outlets.

The Company operates 126 recreation centers worldwide. Each center competes directly with centers owned by other parties in its immediate geographic area; therefore, competitive emphasis is placed on customer service, quality facilities and personnel, prices and promotional programs.

Research and development

Company-sponsored research activities, relating to the development of new products or to the improvement of existing products, are shown below:

	(in millions)		
	1995	1994	1993
Marine	\$81.7	\$67.0	\$59.3
Recreation Products	15.2	12.5	10.5
	\$96.9	\$79.5	\$69.8

Number of employees

The number of employees at December 31, 1995 is shown below by industry segment:

Marine	14,250
Recreation	6,500
Corporate	150

There are approximately 900 employees in the Recreation segment and 2,500 employees in the Marine segment who are represented by labor unions. The Company believes that relations with the labor unions are good.

Environmental requirements

The Company is involved in certain legal and administrative proceedings under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and other federal and state legislation governing the generation and disposition of certain hazardous wastes. These proceedings, which involve both on and off site waste disposal, in many instances seek compensation from the Company as a waste generator under Superfund legislation which authorizes action regardless of fault, legality of original disposition or ownership of a disposal site. The Company believes that it has established adequate reserves to cover all known claims.

Item 2. Properties

The Company's headquarters are located in Lake Forest, Illinois. The Company has numerous manufacturing plants, distribution warehouses, sales offices and test sites. Research and development facilities are division-related, and most are located at individual manufacturing sites.

The Company's plants are deemed to be suitable and adequate for the Company's present needs. The Company believes that all of its properties are well maintained and in good operating condition. Most plants and warehouses are of modern, single-story construction, providing efficient manufacturing and distribution operations.

The Company's plants currently are operating at approximately 74 percent of capacity, excluding the 9 closed plants in the Marine segment. Seven of these closed plants are being offered for sale. The other two closed plants are not being offered for sale, but the Company has no plans to reopen them in the near future.

The Company's headquarters and all of its principal plants are owned by the Company. Some bowling recreation centers, three small plants, two test facilities and an overseas distribution center are leased.

The Company's primary facilities are in the following locations:

Mercury Marine Division

Fond du Lac, Hartford and Milwaukee, Wisconsin; Stillwater, Oklahoma; St. Cloud, Florida; Juarez, Mexico; and Petit Rechain, Belgium.

US Marine Division

Arlington and Spokane, Washington; Roseburg, Oregon; Miami and Claremore, Oklahoma; Pipestone, Minnesota; Cumberland and Salisbury, Maryland; Dandridge, Tennessee; Valdosta, Georgia; and Tallahassee, Florida.

Sea Ray Division

Knoxville, Riverview and Vonore, Tennessee; Merritt Island, Sykes Creek and Palm Coast, Florida; Bucyrus, Ohio; Phoenix, Arizona; and Cork, Ireland.

Fishing Boat Division

Topeka and Nappanee, Indiana; West Point, Mississippi; Lincoln, Alabama, and Murfreesboro, Tennessee.

Zebco Division

Tulsa, Oklahoma; Starkville, Mississippi; and Lancaster, Texas.

Brunswick Indoor Recreation Group

Muskegon, Michigan; Bristol, Wisconsin; Des Moines, Iowa; Stockach, Germany; Deerfield, Illinois; and 126 bowling centers in the United States, Canada and Europe.

Item 3. Legal Proceedings

Concord Boat Corporation, et al v. Brunswick Corporation. On December 7, 1995, Independent Boat Builders, Inc. ("IBBI"), a boat materials buying group, and eighteen of its boat building members, brought suit against the Company in the United States District Court for the Eastern District of Arkansas alleging that the Company has unlawfully acquired and maintained a monopoly in the domestic stern drive marine engine market and has attempted to monopolize the domestic stern drive recreational boat market through (i) its acquisitions of the Company's current boat companies, (ii) its failure to perform its obligations under an alleged joint venture agreement to manufacture stern drive engines for Yamaha Motor Co., Ltd., forcing Yamaha to exit the domestic stern drive marine engine market, (iii) its stern drive engine buying programs to IBBI members which offer the best discounts to members purchasing at least 70% of their stern drive engine requirements from the Company, (iv) its negotiation in supply contracts of price cap provisions for IBBI members on stern drive engines which the Company allegedly knew were going to be discontinued, (v) its alleged disclosure of IBBI members' confidential business information to members' competitors, (vi) its condition that engine and boat dealers purchase a substantial share of their engine and boat requirements from the Company in order to receive the Company's best engine and boat discounts, and (vii) its alleged offer of cash payments to boat dealers to terminate their relationship with competing stern drive boat manufacturers. The Plaintiffs also maintain that some of this same alleged conduct by the Company constitutes a breach of the Company's stern drive engine purchasing contract with them, a breach of the Company's covenant of good faith and fair dealing under that contract, and fraudulent misrepresentations. On February 29, 1996, the Plaintiffs and five additional members of IBBI filed an Amended Complaint making similar allegations with respect to the Company's manufacture and sale of outboard engines and boats powered by outboard engines, and asserting that certain of the Company's agreements with its dealers violate the antitrust laws. The Plaintiffs have requested an injunction requiring the Company to divest its boat manufacturing operations and to cease the alleged practices set forth above, as well as actual damages, treble damages, punitive damages, and attorneys' fees and costs.

The Company believes, based upon its assessment of the complaint and in consultation with counsel, that this litigation is without merit and intends to defend itself vigorously. The Company has filed its Answer to the complaint and the parties have begun the discovery process. On February 12, 1996, the Company filed a counterclaim against the Plaintiffs alleging that the Plaintiffs have conspired to restrain trade in violation of federal antitrust law by (i) pressuring the Company to replace its market share stern drive engine discounts with volume discounts to the disadvantage of smaller stern drive boat builders who are not members of a buying group, (ii) soliciting the Company to limit its boat building divisions' competition with the Plaintiffs in the manufacture and sale of stern drive boats, (iii) soliciting the Company to raise the price of its stern drive engines to certain other buyers to favor the Plaintiffs in competition with those buyers, and (iv) agreeing to limit the display of boats equipped with the Company's stern drive engines at industry boat shows. The Company's counterclaim seeks injunctive relief against the Plaintiffs and the dissolution of IBBI, actual and treble damages, attorneys' fees and costs.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Executive Officers of the Company

The Company's executive officers are listed in the following table:

Officer	Present Position	Age
P. N. Larson	Chairman of the Board, and Chief Executive Officer	56
P. B. Hamilton	Senior Vice President and Chief Financial Officer	49
J. W. Dawson	Vice President and Zebco Division President	61
F. J. Florjancic, Jr.	Vice President and Brunswick Division President	49
D. D. Jones	Vice President and Mercury Marine Division President	52

D. M. Yaconetti	Vice President Administration and Corporate Secretary	49
K. B. Zeigler	Vice President and Chief Human Resources Officer	47
T. K. Erwin	Controller	46
R. T. McNaney	General Counsel	61
R. S. O'Brien	Treasurer	46
W. J. Barrington	Sea Ray Division President	45
J. C. Olson	Fishing Boat Division President	50
J. A. Schenk	Corporate Director of Planning and Development	53
R. C. Steinway	US Marine Division President	44

There are no family relationships among these officers. The term of office of all elected officers expires April 24, 1996. The Division Presidents are appointed from time to time at the discretion of the Chief Executive Officer.

Peter N. Larson has been Chairman of the Board and Chief Executive Officer of the Company since 1995. He was Chairman of the Worldwide Consumer and Personal Care Group, Johnson & Johnson, a leading health care company from 1994 to 1995 and Company Group Chairman, Johnson & Johnson from 1991 to 1994.

Peter B. Hamilton has been Senior Vice President and Chief Financial Officer of the Company since 1995. He was Vice President and Chief Financial Officer, Cummins Engine Company, Inc., a leading worldwide designer and manufacturer of diesel engines and related products from 1988 to 1995.

Jim W. Dawson has been Vice President of the Company since 1994 and Zebco Division President since 1989.

Frederick J. Florjancic, Jr. has been Vice President of the Company since 1988, President of the Brunswick Indoor Recreation Group since 1995 and President of the Brunswick Division since 1988-1995.
David D. Jones has been Vice President of the Company since 1995 and Mercury Marine Division President since 1989.

Dianne M. Yaconetti has been Vice President-Administration of the Company since 1988 and Corporate Secretary of the Company since 1986. She was Manager of the Office of the Chairman 1985-1995.

Kenneth B. Zeigler has been Vice President and Chief of Human Relations of the Company since 1995. He was Senior Vice President, The Continental Corporation, a property and casualty insurance holding company, from 1992 to 1995 and President, Marine and International Group, The Continental Corporation during 1991.

Thomas K. Erwin has been Controller of the Company since 1988.

Robert T. McNaney has been General Counsel of the Company since 1985.

Richard S. O'Brien has been Treasurer of the Company since 1988.

William J. Barrington has been Sea Ray Division President and President of Ray Industries, Inc. since 1989.

Jeffrey C. Olson has been Fishing Boat Division President since 1995. He was President of the Brunswick Marine Unit of the Fishing Boat Division from 1992 to 1995 and Senior Vice President-Marketing, US Marine Division from 1989 to 1992.

James A. Schenk has been Corporate Director of Planning and Development of the Company since 1988.

Robert C. Steinway has been US Marine Division President since 1994. From 1992 to 1994 he was Senior Vice President-Marketing, US Marine Division. From 1989 to 1992 he was General Manager of the Aluminum Fishing Boat Division.

Item 5. Market for the Registrant's Common
Equity and Related Stockholder Matters

The Company's common stock is traded on the New York, Chicago, Pacific, London, and Tokyo Stock Exchanges. Quarterly information with respect to the high and low sales prices for the common stock and the dividends declared on the common stock is set forth in Note 23 on page 59. As of December 31, 1995, there were approximately 22,400 shareholders of record of the Company's common stock.

Item 6. Selected Financial Data

Net sales, net earnings, earnings per common share, cash dividends declared per common share, total assets, and long-term debt are shown in the Five Year Financial Summary on page 62.

Item 7. Management's Discussion and Analysis
of Financial Condition and Results of Operations

Management's Discussion and Analysis is presented on pages 20 to 25.

Item 8. Financial Statements and Supplementary Data

The Company's Consolidated Financial Statements are set forth on pages 26 to 28 and are listed in the index on page 19.

Item 9. Changes in and Disagreements with Accountants
on Accounting and Financial Disclosure

None.

Part III

Item 10. Directors and Executive Officers of the Registrant

Information with respect to the directors of the Company is set forth on pages 2-4 of the Company's definitive Proxy Statement dated March 19, 1996 (the "Proxy Statement") for the Annual Meeting of Stockholders to be held on April 24, 1996, and information with respect to compliance with Section 16(a) of the Securities Exchange Act of 1934 is set forth on page 8 of the Proxy Statement. All of the foregoing information is hereby incorporated by reference. The Company's executive officers are listed herein on pages 10-12.

Item 11. Executive Compensation

Information with respect to executive compensation is set forth on pages 5, 6 8-23 of the Proxy Statement and is hereby incorporated by reference.

Item 12. Security Ownership of Certain
Beneficial Owners and Management

Information with respect to the securities of the Company owned by the directors and certain officers of the Company, by the directors and officers of the Company as a group and by the only person known to the Company to own beneficially than 5% of the outstanding voting securities of the Company is set forth on pages 6 and 7 of the Proxy Statement, and such information is hereby incorporated by reference.

Item 13. Certain Relationships and Related Transactions

None.

Part IV

Item 14. Exhibits, Financial Statement Schedules,
and Reports on Form 8-K

a) Financial Statements and Exhibits
Financial Statements

Financial statements and schedules are incorporated in this Annual Report on Form 10-K, as indicated in the index on page 19.

Exhibits

- 3.1 Restated Certificate of Incorporation of the Company filed as Exhibit 19.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1987, and hereby incorporated by reference.
- 3.2 Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock.
- 3.3 By-Laws of the Company.
- 4.1 Indenture dated as of March 15, 1987, between the Company and Continental Illinois National Bank and Trust Company of Chicago filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1987, and hereby incorporated by reference.
- 4.2 Form of 8-1/8% Notes of the Company Due April 1, 1997, filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1987, and hereby incorporated by reference.
- 4.3 Officers' Certificate setting forth terms of the Company's \$125,000,000 principal amount 7-3/8% Debentures due September 1, 2023 filed as Exhibit 4.3 to the Company's Annual Report on Form 10-K for 1993, and hereby incorporated by reference.
- 4.4 The Company's Agreement to furnish additional debt instruments upon request by the Securities and Exchange Commission filed as Exhibit 4.10 to the Company's Annual Report on Form 10-K for 1980, and hereby incorporated by reference.
- 4.5 Rights Agreement dated as of February 5, 1996, between the Company and Harris Trust and Savings Bank filed as Exhibit 1 to the Company's Registration Statement for Preferred Share Purchase Rights on Form 8-A dated March 13, 1996, and hereby incorporated by reference.
- 10.1* Third Amended and Restated Employment Agreement entered as of December 30, 1986, between the Company and Jack F. Reichert filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K for 1986 and hereby incorporated by reference.
- 10.2* Amendment dated October 24, 1989, to Employment Agreement by and between the Company and Jack F. Reichert filed as Exhibit 19.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989 and hereby incorporated by reference.
- 10.3* Supplemental Agreement to Employment Agreement dated December 30, 1986, by and between the Company and Jack F. Reichert filed as Exhibit 19.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989, and hereby incorporated by reference.
- 10.4* Amendment dated February 12, 1991 to Employment Agreement by and between the Company and Jack F. Reichert filed as Exhibit 10.4 to the Company's Annual Report on Form 10-K for 1990 and hereby incorporated by reference.
- 10.5* Amendment dated March 20, 1992 to Employment Agreement by and between the Company and Jack F. Reichert filed as Exhibit 10.5 to the Company's Annual Report on Form 10-K for 1992 and hereby incorporated by reference.
- 10.6* Amendment dated December 15, 1992 to Employment Agreement by and between the Company and Jack F.

Reichert filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K for 1992 and hereby incorporated by reference.

- 10.7* Employment Agreement dated April 1, 1995 by and between the Company and Peter N. Larson filed as Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, and hereby incorporated by reference.
- 10.8* Employment Agreement dated December 1, 1995 by and between the Company and Peter B. Hamilton.
- 10.9* Form of Employment Agreement by and between the Company and each of W. J. Barrington, J. W. Dawson, T. K. Erwin, F. J. Florjancic, Jr., P. B. Hamilton, D. D. Jones, R. T. McNaney, R. S. O'Brien, J. A. Schenk, R. C. Steinway and K. B. Zeigler.
- 10.10* 1994 Stock Option Plan for Non-Employee Directors filed as Exhibit A to the Company's definitive Proxy Statement dated March 25, 1994 for the Annual Meeting of Stockholders on April 27, 1994 and hereby incorporated by reference.
- 10.11* 1995 Stock Plan for Non-Employee Directors filed as Exhibit B to the Company's definitive Proxy Statement dated March 19, 1996 for the Annual Meeting of Stockholders on April 24, 1996 and hereby incorporated by reference.
- 10.12* Supplemental Pension Plan filed as Exhibit 19.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1989, and hereby incorporated by reference.
- 10.13* Form of Insurance Policy issued for the life of each of the Company's officers, together with the specifications for each of these policies, filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K for 1980 and hereby incorporated by reference. The Company pays the premiums for these policies and will recover these premiums, with some exceptions, from the policy proceeds.
- 10.14* Insurance policy issued by The Prudential Insurance Company of America insuring all of the Company's officers and certain other senior management employees for medical expenses filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K for 1980 and hereby incorporated by reference.
- 10.15* Form of Indemnification Agreement by and between the Company and each of N. D. Archibald, M. J. Callahan, J. P. Diesel, P. Harf, G. D. Kennedy, B. K. Koken, J. W. Lorsch, B. M. Musham, R. N. Rasmus, K. Roman and R. W. Schipke filed as Exhibit 19.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1986, and hereby incorporated by reference.
- 10.16* Indemnification Agreement dated September 16, 1986, by and between the Company and J. F. Reichert filed as Exhibit 19.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1986, and hereby incorporated by reference.
- 10.17* Indemnification Agreement dated April 1, 1995 by and between the Company and P. N. Larson.
- 10.18* Form of Indemnification Agreement by and between the Company and each of W. J. Barrington, J. W. Dawson, T. K. Erwin, F. J. Florjancic, Jr., P. B. Hamilton, D. D. Jones, R. T. McNaney, R. S. O'Brien, J. C. Olson, J. A. Schenk, R. C. Steinway, D. M. Yaconetti and K. B.

Zeigler filed as Exhibit 19.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1986, and hereby incorporated by reference.

- 10.19* 1991 Stock Plan filed as Exhibit A to the Company's definitive Proxy Statement dated March 19, 1996 for the Annual Meeting of Stockholders on April 24, 1996 and hereby incorporated by reference.
- 10.20* Change In Control Severance Plan filed as Exhibit 10.22 to the Company's Annual Report on Form 10-K for 1989 and hereby incorporated by reference.
- 10.21* Brunswick Performance Plan for 1995 filed as Exhibit 10.20 to the Company's Annual Report on Form 10-K for 1993 and hereby incorporated by reference.
- 10.22* Brunswick Performance Plan for 1996.
- 10.23* Brunswick Strategic Incentive Plan for 1993-1995, 1994-1996 and 1995-1997 filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K for 1993 and hereby incorporated by reference.
- 10.24* Brunswick Strategic Incentive Plan for 1996-1997.
- 21.1 Subsidiaries of the Company.
- 24.1 Powers of Attorney.
- 27.1 Financial Data Schedule

b) Reports on Form 8-K

The Company filed no reports on Form 8-K during the three months ended December 31, 1995.

*Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report on Form 10-K pursuant to Item 14(c) of this Report.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Brunswick Corporation

March 22, 1996 By /s/ Peter B. Hamilton
Peter B. Hamilton, Senior Vice
President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title
Peter N. Larson	Chairman and Chief Executive Officer (Principal Executive Officer) and Director
Peter B. Hamilton	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
Thomas K. Erwin	Controller (Principal Accounting Officer)
Nolan D. Archibald	Director
Michael J. Callahan	Director
John P. Diesel	Director
George D. Kennedy	Director
Bernd K. Koken	Director
Jay W. Lorsch	Director
Bettye Martin Musham	Director
Robert N. Rasmus	Director

provisions for the restructuring charge and loss on the divestiture of the Technical segment did not affect cash in 1995 and the 1994 cash usage included a \$55 million payment to the U.S. Internal Revenue Service, as discussed in Note 16 to the consolidated financial statements.

Net cash used for investing activities decreased \$24.3 million to \$105.0 million for 1995 compared to \$129.3 million in 1994. The decrease resulted primarily from the receipt of proceeds from the divestiture of the Company's Technical segment and the net redemption of marketable securities with maturities of more than ninety days in 1995 compared to a net investment in such securities in 1994. These items were partially offset by increased capital expenditures and investments in unconsolidated affiliates.

Net cash used for financing activities was \$16.0 million in 1995 compared to \$55.5 million in 1994. The change resulted primarily from a 1995 equity issuance for pension plan funding of \$40.0 million offset in part by a 14% increase in cash dividends paid to \$.50 per share in 1995 versus \$.44 per share in 1994.

Working capital at December 31, 1995 was \$597.2 million compared to \$436.2 million at December 31, 1994. The Company's current ratio was 1.9 at December 31, 1995 and 1.7 at December 31, 1994.

The Company's long-term financing is primarily comprised of 30-year debentures, 10-year unsecured notes, loans secured by mortgages on property and the guarantee of \$67.8 million of debt of the Brunswick Employee Stock Ownership Plan. The form and timing of all financing is determined by the prevailing securities markets, the Company's capital requirements and its financial position at December 31, 1995, the Company had an unused long-term credit agreement totaling \$400 million with a group of banks. The Company's debt-to-capitalization ratio was 23.4% at December 31, 1995 compared to 26.4% at December 31, 1994. Total debt at December 31, 1995 was \$318.9 million versus \$327.0 million at December 31, 1994.

Capital expenditures, excluding acquisitions, were \$122.7 million, \$104.6 million and \$95.8 million in 1995, 1994 and 1993. The Company has and will continue to make capital expenditures that offer increased production efficiencies, improvement to product quality, and growth from new products and expansion of existing product lines. The Company believes that existing cash balances and future operating results, supplemented when necessary with short- and/or long-term borrowings, will continue to provide the financial resources necessary for capital expenditures and working capital requirements.

Results of Operations 1995 vs. 1994

Net Sales

Consolidated net sales for 1995 increased 13% to \$3.04 billion from \$2.70 billion reported in 1994. The Marine and Recreation segments each contributed to the improvement.

The Marine segment's net sales rose 15% to \$2.28 billion in 1995 from \$1.99 billion in 1994. The improvement reflects a 21% increase in international sales and a 13% increase in domestic sales. Contributing to these increases were growth in international sales of boats, primarily in Europe, and the strong domestic and international demand for marine engines, especially in the first six months of 1995.

The Recreation segment's net sales increased 7%, to \$759.2 million in 1995 from \$709.4 million in 1994. The improvement resulted primarily from continued strong East Asian demand for the Brunswick Indoor Recreation Group's (formed through the consolidation of the Brunswick and Brunswick Recreation Centers Divisions in 1995) bowling capital equipment and increased domestic sales of the consumer products and billiards product lines. The Zebco Division's sales increased both domestically and internationally, primarily as a result of higher demand.

Operating Earnings

Consolidated operating earnings were \$219.6 million in 1995 compared to \$210.0 million in 1994. The 1995 results include a \$40.0 million provision for restructuring charges and management transition expenses. Absent these charges, operating earnings would have been \$259.6 million, or 24% higher than 1994.

The Marine segment reported operating earnings of \$230.9 million in 1995 compared to \$175.6 million in 1994. The previously discussed domestic and international sales increases accounted for the improvement, offset in part by increased advertising, marketing and product research and development expenses.

The Recreation segment operating earnings were \$50.6 million in 1995 compared to \$82.8 million in 1994. The 1995 results include a \$25.8 million restructuring charge for the divestitures of the golf shaft business and Circus World Pizza operations. Excluding the restructuring charge, operating earnings were \$76.4 million. The decline in operating earnings resulted primarily from increased research and development expenses, marketing expenses, manufacturing expenses related to the Brunswick Indoor Recreation Group's new Frameworx capital equipment line that began to be shipped in the third quarter of 1995 and lower margins on sales of German-manufactured pinsetters due to currency fluctuations. The Zebco Division's operating earnings improved due to the previously discussed sales increases.

Corporate expenses for 1995 were \$61.9 million compared to \$48.4 million in 1994. The 1995 expenses include a provision of \$14.2 million for management transition expenses and the costs of an early retirement and selective separation program at the Company's corporate office. Excluding the provision, corporate expenses were \$47.7 million.

Interest Expense and Other Items, Net

Interest expense rose to \$32.5 million from the \$28.5 million reported in 1994. The increase resulted primarily from increased interest expense on interest rate swap transactions. Interest income and other items, net was \$21.0 million in 1995 versus \$16.9 in 1994. The increase is primarily the result of foreign currency gains versus foreign currency losses in 1994 as well as higher earnings of unconsolidated affiliates. The global nature of the Company's business requires that it deal in many currencies. To mitigate the effect of foreign currency fluctuations, the Company hedges selected currencies when deemed to be appropriate.

Income Taxes

In 1995, the Company recorded a tax provision of \$73.9 million compared with a tax provision of \$69.4 million in 1994. The 1995 effective tax rate of 35.5% compares with 35% in 1994. For a reconciliation of tax rates, refer to Note 16 to the consolidated financial statements.

Looking to the Future

In 1995, the Company experienced its fourth consecutive year of improved results from continuing operations. This performance is attributable to the following factors the marine industry continued its recovery from the severe recession that affected this market from late 1988 through 1992; the Company has continued, and in fact enhanced, its focus on cost improvements that started with the Marine segment restructuring implemented during the industry downturn; and the Recreation segment has realized international growth through selected acquisition and development of new markets for bowling capital equipment.

Looking ahead, it is difficult to predict the long-range outlook as the Company will continue to be affected by the changing demands in the recreational marine market and the effect of worldwide economic cycles on international bowling equipment sales.

However, the Company intends to continue its focus on growth in the markets it serves through improved productivity and selected acquisitions, such as the planned acquisition of the Nelson/Weather-Rite unit of Roadmaster Industries, Inc., announced in the first quarter of 1996.

Environmental Matters

The U.S. Environmental Protection Agency (EPA) has announced proposed regulations for limiting air emissions from gasoline engines used in pleasure boats. Specifically, the EPA proposal seeks to reduce hydrocarbon and nitrous oxide exhaust emissions from two-cycle, gasoline marine engines by more than 75 percent over a nine-year phase-in period beginning with the 1998 model year.

In anticipation of these requirements, in 1993 the Company's Mercury Marine Division signed an agreement with Yamaha to co-develop and co-manufacture four-cycle outboard engines. The first such engine was introduced in 1994 and a second began production in early 1995.

Also in early 1995, Mercury formed a joint venture with Orbital Engine Corporation, Ltd. of Australia to design, manufacture and market fuel systems for low emissions, two-cycle engines. This new Small Engine Fuel Injection System technology (SEFIS) will be employed on a significant range of Mercury outboards. In late 1995, Mercury introduced a two-cycle, 200-horsepower, 3-liter outboard which utilizes an earlier Orbital direct fuel injection system technology and which exceeds the impending EPA regulations. In addition, other direct fuel injection methods to lower hydrocarbon emissions in two-cycle

engines are being evaluated.

The Company expects these four-cycle and low emissions two-cycle engines will meet or exceed the proposed emission standards and be introduced ahead of the required schedule.

Results of Operations 1994 vs. 1993

Net Sales

The Company's consolidated net sales for 1994 rose 22% to \$2.70 billion from the \$2.21 billion reported for 1993. Increases in both the Marine and Recreation segments contributed to this improvement.

The Marine segment's 1994 net sales increased 27% to \$1.99 billion from \$1.57 billion in 1993. Higher volume and an improved product mix accounted for 24% of the growth while price increases constituted the remaining 3%. Domestic sales of boats and engines increased 30% over the prior year, while international sales increased 17%. Engine sales rose 34% in Europe, and the Latin and South American, Asian and Middle Eastern markets also reported increases. International boat sales were flat in 1994 compared to 1993. Retail sales increased at a rate greater than wholesale sales to dealers; therefore, dealers inventories continued at low levels.

The Recreation segment's 1994 net sales increased 12% to \$709.4 million from \$635.6 million in 1993. The Brunswick Division's sales increased 13% on a 14% increase in international sales as strong demand for capital equipment in Asia and Europe continued, and a 10% increase in domestic sales as all product lines reflected improvements. The Zebco Division's sales increased 20% as domestic and international sales rose 19% and 25%, respectively. The Brunswick Recreation Centers (BRC) Division sales were flat in 1994 compared to 1993 as price increases of approximately 4% were offset by reduced bowling lineage caused by the severe winter weather in early 1994 and the California earthquake which closed several centers in the first quarter of 1994.

Operating Earnings

Consolidated operating earnings increased to \$210.0 million in 1994 from \$99.8 million in 1993. The Marine segment contributed significantly to this improvement while the Recreation segment was up slightly over 1993.

The Marine segment's operating earnings for 1994 rose to \$175.6 million from \$53.7 million in 1993. The previously discussed domestic and international sales increases, a more favorable product mix and the benefits of the cost reduction and consolidation programs begun when the marine downturn began in 1988 contributed to the improvement.

The Recreation segment's operating earnings were \$82.8 million for 1994 compared to \$80.0 million in 1993. The Brunswick Division's operating earnings increased as a result of the sales increases discussed above, but were largely offset by continued operating losses experienced in its composite golf shaft operations and higher costs for new product development and market expansion efforts. The Zebco Division operating earnings also increased slightly, primarily due to the domestic sales increase, which was offset by reduced foreign operating earnings despite higher foreign sales, as foreign margins declined and as the Division continued to incur costs as it integrated the Browning acquisition made in late 1992. The BRC Division's operating earnings for 1994 declined from 1993 primarily due to additional start-up costs and operating losses for its Circus World Pizza operations.

Corporate expenses rose to \$48.4 million in 1994 from the \$33.9 million reported in 1993. The increase was primarily due to losses on derivatives of \$4.3 million, increased compensation expenses of \$4.4 million and a second quarter severance charge of \$1.6 million.

Interest and Other Items, Net

Interest expense rose to \$28.5 million in 1994 from \$27.2 million in 1993. The increase resulted primarily from higher interest rates on swaps, which more than offset the reduced interest expense on lower levels of debt and the net reduction in interest expense resulting from the redemption of the 9.875% sinking fund debentures on August 9, 1993, and the sale of 7.375% debentures on August 25, 1993. Interest income and other items, net increased to \$16.9 million in 1994 from \$13.9 million in 1993, primarily due to higher interest income resulting from higher average investment rates, offset by lower earnings of unconsolidated affiliates.

Income Taxes

In 1994, the Company recorded a tax provision of \$69.4 million compared with a tax provision of \$32.0 million in 1993. The effective tax rate for 1994 of 35% compared to 37% for 1993. The decrease in the effective tax rate resulted primarily from increased tax credits and the impact of tax rates on the mix of the Company's income, as well as the settlement of a dispute with the U. S. Internal Revenue Service, as discussed in Note 16.

Brunswick Corporation
 Consolidated Statements of Results Of Operations
 For the Years Ended December 31,
 (in millions, except per share data)

	1995	1994	1993
Net sales	\$ 3,041.4	\$ 2,700.1	\$ 2,206.8
Cost of sales	2,207.9	1,951.7	1,636.6
Selling, general and administrative	573.9	538.4	470.4
Restructuring charges and management transition expenses	40.0	-	-
Operating earnings	219.6	210.0	99.8
Interest expense	(32.5)	(28.5)	(27.2)
Interest income and other items, net	21.0	16.9	13.9
Earnings before income taxes	208.1	198.4	86.5
Income tax provision	73.9	69.4	32.0
Earnings from continuing operations before extraordinary item and cumulative effect of accounting changes	134.2	129.0	54.5
Cumulative effect on prior years of changes in accounting principles	-	-	(14.6)
Extraordinary loss from retirement of debt	-	-	(4.6)
Discontinued operations			
Estimated loss on divestiture of Technical segment	(7.0)	-	(12.2)
Net earnings	\$ 127.2	\$ 129.0	\$ 23.1
Earnings (loss) per common share			
Continuing operations	\$ 1.39	\$ 1.35	\$ 0.57
Cumulative effect of changes in accounting principles	-	-	(0.15)
Extraordinary item	-	-	(0.05)
Discontinued operations			
Estimated loss on divestiture of Technical segment	(0.07)	-	(0.13)
Net earnings per common share	\$ 1.32	\$ 1.35	\$ 0.24

The notes are an integral part of these consolidated statements.

Brunswick Corporation
 Consolidated Balance Sheets
 As of December 31,
 (in millions, except per share data)

Assets	1995	1994
Current assets		
Cash and cash equivalents, at cost, which approximates market	\$ 344.3	\$ 185.2
Marketable securities	11.2	18.2
Accounts and notes receivable, less allowances of \$19.0 and \$19.5	257.7	218.9
Inventories	411.4	409.0
Prepaid income taxes	203.8	175.0
Prepaid expenses	34.2	33.9
Income tax refunds receivable	15.0	17.3
Current assets	1,277.6	1,057.5

Property			
Land	62.5	61.0	
Buildings	385.5	367.8	
Equipment	694.8	660.6	
Total land, buildings and equipment	1,142.8	1,089.4	
Accumulated depreciation	(608.3)	(571.7)	
Net land, buildings and equipment	534.5	517.7	
Unamortized product tooling costs	64.4	47.7	
Net property	598.9	565.4	
Other assets			
Dealer networks	117.5	140.9	
Trademarks and other	162.2	136.0	
Excess of cost over net assets of businesses acquired	119.2	117.8	
Investments	85.1	76.1	
Other assets	484.0	470.8	
Assets of continuing operations	2,360.5	2,093.7	
Net assets of discontinued operations	-	28.6	
Total assets	\$2,360.5	\$2,122.3	
Liabilities and Shareholders' Equity			
Short-term debt, including current maturities of long-term debt	\$ 6.1	\$ 8.2	
Accounts payable	154.8	157.3	
Accrued expenses	519.5	455.8	
Current liabilities	680.4	621.3	
Long-term debt			
Notes, mortgages and debentures	312.8	318.8	
Deferred items			
Income taxes	157.8	133.8	
Postretirement and postemployment benefits	138.3	114.0	
Compensation and other	28.1	23.7	
Deferred items	324.2	271.5	
Common shareholders' equity			
Common stock; authorized: 200,000,000 shares, \$.75 par value; issued: 102,537,692 and 100,687,992	76.9	75.5	
Additional paid-in capital	299.4	261.5	
Retained earnings	814.8	735.5	
Treasury stock, at cost: 4,633,036 shares and 5,236,856 shares	(85.0)	(98.3)	
Minimum pension liability adjustment	(3.4)	(0.7)	
Unearned portion of restricted stock issued for futur	(6.3)	(2.4)	
Cumulative translation adjustments	13.7	11.8	
Unamortized ESOP expense	(67.0)	(72.2)	
Common shareholders' equity	1,043.1	910.7	
Total liabilities and shareholders' equity	\$2,360.5	\$2,122.3	

The notes are an integral part of these consolidated statements.

Brunswick Corporation
Consolidated Statements Of Cash Flows
For the Years Ended December 31,
(in millions)

	1995	1994	1993
Cash flows from operating activities			
Net earnings	\$ 127.2	\$ 129.0	\$ 23.1
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization by continuing operations	120.5	119.8	117.8
Changes in noncash current assets and current liabilities of continuing operations:			

Increase in accounts and notes receivable	(36.6)	(50.1)	(7.8)
(Increase) decrease in inventories	1.5	(83.6)	(10.9)
(Increase) decrease in prepaid income taxes	(28.8)	11.5	(6.0)
Increase in prepaid expenses	(0.4)	(9.7)	(3.1)
(Increase) decrease in income tax refunds receivable	2.3	(17.3)	-
Increase (decrease) in accounts payable	(2.5)	34.5	16.4
Increase in accrued expenses	6.3	50.5	31.8
Increase (decrease) in taxes payable	-	(62.7)	64.5
Increase (decrease) in deferred items	52.6	24.4	(50.2)
Stock issued for employee benefit plans	8.6	4.5	3.8
Pension cost less than funding	(33.2)	(32.6)	(17.8)
Restructuring charges and management transition expenses	40.0	-	-
Other, net	3.9	4.3	1.3
Cumulative effect of changes in accounting principles	-	-	14.6
Estimated loss on disposition of Technical segment	11.5	-	12.2
(Increase)decrease in net assets of discontinued operations	7.2	(1.3)	(0.8)
Net cash provided by operating activities	280.1	121.2	188.9
Cash flows from investing activities			
Payments for businesses acquired, net of cash acquired and including other cash payments associated with the acquisitions	(10.3)	(7.1)	(2.1)
Capital expenditures	(122.7)	(104.6)	(95.8)
Proceeds from sales of property	13.3	5.9	7.1
Proceeds from disposal of Technical segment	22.0	-	-
Investments in unconsolidated affiliates	(10.1)	(1.7)	(2.8)
Investments in marketable securities	7.0	(18.2)	-
Other, net	(3.6)	(2.4)	(1.6)
Net investing activities of discontinued operations	(0.6)	(1.2)	(1.9)
Net cash used for investing activities	(105.0)	(129.3)	(97.1)
Cash flows from financing activities			
Proceeds from issuance of long-term debt	-	-	122.9
Proceeds from equity issuance to pension plan	40.0	-	-
Payments of long-term debt, including current maturities	(6.0)	(6.2)	(117.3)
Cash dividends paid	(47.9)	(42.0)	(41.9)
Other, net	(2.1)	(7.3)	(2.2)
Net cash used for financing activities	(16.0)	(55.5)	(38.5)
Net increase (decrease) in cash and cash equivalents	159.1	(63.6)	53.3
Cash and cash equivalents at beginning of year	185.2	248.8	195.5
Cash and cash equivalents at end of year	\$ 344.3	\$ 185.2	\$ 248.8
Supplemental cash flow disclosures:			
Interest paid	\$ 34.2	\$ 35.1	\$ 25.5
Income taxes paid, net of refunds	43.8	114.9	23.9
Supplemental schedule of noncash investing and financing activities:			
Fair market value of treasury stock issued for compensation plans and other	\$ 11.9	\$ 4.0	\$ 2.1

The notes are an integral part of these consolidated statements.

Notes to Consolidated Financial Statements
December 31, 1995, 1994, and 1993

1. Nature of Business and Significant Accounting Policies

Nature of Business. Brunswick Corporation and its wholly owned subsidiaries (the Company) is a multinational company that operates in two business segments. The Marine segment through four divisions manufactures and sells marine engines and boats. The Recreation segment through two divisions manufactures and sells products utilized in the bowling industry; operates bowling centers; and manufactures and sells fishing tackle, trolling motors and other products used in the recreational fishing market.

Use of Estimates in the Financial Statements. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of consolidation. The Company's consolidated financial statements include the accounts of its significant domestic and foreign subsidiaries, after eliminating transactions between Brunswick Corporation and such subsidiaries. Investments in certain affiliates, including some majority-owned subsidiaries which are immaterial, are reported using the equity method.

Cash and cash equivalents. For purposes of the consolidated statements of cash flows, the Company considers all highly liquid investments with a maturity of three months or less from the time of purchase to be cash equivalents.

Inventories. Approximately forty percent of the Company's inventories are valued at the lower of first-in, first-out (FIFO) cost or market (replacement cost or net realizable value). All other inventories are valued at last-in, first out (LIFO) cost, which is not in excess of market. Inventory cost includes material, labor and manufacturing overhead.

Property. Property, including major improvements, is recorded at cost. The costs of maintenance and repairs are charged against results of operations as incurred.

Depreciation is charged against results of operations over the estimated service lives of the related assets. Improvements to leased property are amortized over the life of the lease or the life of the improvement, whichever is shorter. For financial reporting purposes, the Company principally uses the straight-line method of depreciation. For tax purposes, the Company generally uses accelerated methods where permitted.

Sales and retirements of depreciable property are recorded by removing the related cost and accumulated depreciation from the accounts. Gains or losses on sales and retirements of property are reflected in results of operations.

Product tooling costs. The Company capitalizes product tooling costs and amortizes those costs over the estimated useful lives of the assets.

Intangibles. The costs of dealer networks, trademarks and other intangible assets are amortized over their expected useful lives using the straight-line method. Accumulated amortization was \$267.7 million and \$240.7 million at December 31, 1995 and 1994, respectively. The excess of cost over net assets of businesses acquired is being amortized using the straight-line method, principally over 40 years. Accumulated amortization was \$35.0 million and \$29.9 million at December 31, 1995 and 1994, respectively. Subsequent to acquisition, the Company continually evaluates whether later events and circumstances have occurred that indicate the remaining estimated useful life of its intangible assets may warrant revision or that the remaining balance of such assets may not be recoverable. When factors indicate that such assets should be evaluated for possible impairment, the Company uses an estimate of the related business segment's undiscounted cash flows or, in the case of goodwill, undiscounted operating earnings, over the remaining life of the asset in measuring whether the asset is recoverable.

Income taxes. The Company records income taxes under SFAS No. 109, which requires an asset and liability method. This method results in the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the book carrying amounts and the tax basis of assets and liabilities.

Retirement plans. The Company accrues the cost of pension and retirement plans which cover substantially all employees. Pension costs, which are primarily computed using the projected unit credit method, are generally funded based on the legal requirements, tax considerations and investment opportunities for the Company's domestic pension plans and in accordance with local laws and income tax regulations for foreign plans. During 1995, 1994 and 1993, the Company contributed \$39.9 million, \$37.3 million and \$19.0 million, respectively, in excess of the required minimum funding for its domestic pension plans.

Derivatives. Gains and losses related to qualifying hedges of firm commitments and anticipated transactions are deferred and recognized in income, or as adjustments of carrying amounts, when the hedged transaction occurs. Gains and losses on instruments that do not qualify as hedges are recognized as other income or expense. The Company does not hold or issue financial instruments for trading purposes.

2. Earnings (Loss) Per Common Share

Earnings (loss) per common share is based on the weighted average number of common and common equivalent shares outstanding during each period. Such average shares were 96.2 million, 95.7 million and 95.3 million for 1995, 1994 and 1993, respectively.

3. Inventories

At December 31, 1995 and 1994, \$218.3 million and \$183.1 million, respectively, of inventories were valued using the LIFO method. If the FIFO method of inventory accounting had been used by the Company for inventories valued at LIFO, inventories at December 31 would have been \$84.3 million and \$78.5 million higher than reported for 1995 and 1994, respectively. The FIFO cost of inventories at these dates approximated replacement cost or net realizable value. Inventories at December 31 consisted of the following:

(in millions)	1995	1994
Finished goods	\$206.9	\$233.4
Work-in-process	129.3	105.2
Raw materials	75.2	70.4
Inventories	\$411.4	\$409.0

4. Restructuring Charges and Management Transition Expenses

In the second quarter of 1995, the Company recorded restructuring and management transition expenses of \$40.0 million (\$24.4 million after-tax). The charge consisted of losses on the divestitures of the golf club shaft business and Circus World Pizza operations in the Recreation segment, and management transition expenses and the costs of an early retirement and selective separation program at the Company's corporate office. The net sales and operating losses (excluding divestiture provisions) for each of the three years December 31, 1995 of the businesses to be divested were as follows:

(in millions)	1995	1994	1993
Net sales	\$ 21.0	\$17.2	\$11.7
Operating Losses	\$ 7.6	\$ 6.4	\$ 4.6

The Circus World Pizza operation divestiture and management transition and early retirement and selected separation program have been completed. The remaining reserve for the golf club shaft business is \$17.0 million and management expects the reserve to be adequate to cover exposures related to this divestiture. The Company continues to evaluate offers for the golf club shaft business as of December 31, 1995.

5. Discontinued Operations

In February 1993, the Company's Board of Directors approved plans to divest the Technical Group, the only remaining business in the Company's Technical segment. On April 28, 1995, the Company completed the sale of substantially all the assets of its Technical Group to Technical Products Group, Inc., a newly formed company controlled by TPG Holdings in Atlanta, Georgia. Included in the sale were Brunswick operations in Marion, Virginia; Lincoln, Nebraska; Camden, Arkansas; and Deland, Florida. Excluded were the assets associated with the unit's facility in Costa Mesa, California, which are fully reserved as of December 31, 1995 and which the Company continues to seek a buyer. Certain liabilities of discontinued operations which are being retained by the Company are reflected in Company's continuing operations in 1995. In the second quarter of 1995, the Company recorded a provision of \$11.5 million (\$7.0 million after-tax) reflecting lower than anticipated selling prices for those businesses. A \$26.0 million estimated loss (\$42.0 million pretax) on the divestiture of the Technical Group and for certain other expenses of the previously divested Technical businesses was recorded in 1992. In 1993, the Company recorded an additional \$12.2 million estimated loss (\$20.0 million pretax) on the divestiture of the Technical Group which reflected the estimated net realizable value on disposition including post-sale expenses.

The net sales were \$35.1 million, \$135.5 million and \$147.4 million for the three years ended December 31, 1995, 1994 and 1993, respectively. Operating results of discontinued operations for 1995, 1994 and 1993 have been credited to/charged against the divestiture reserve established in 1992.

6. Acquisitions

In 1995, the Company purchased the assets of one company for \$10.3 million in cash.

In 1994, the Company purchased the assets of four companies and majority positions in three joint ventures for \$7.1 million in cash.

In 1993, the Company purchased the assets of three companies for \$2.1 million in cash.

The effect of the aforementioned acquisitions, which were accounted for as

purchases, was not significant to the Company's consolidated results of operations in the year of acquisition.

7. Commitments and Contingent Liabilities

It is customary within the marine industry for manufacturers to enter into product repurchase agreements with financial institutions that provide financing to marine dealers. The Company has entered into agreements which provide for the repurchase of its products from a financial institution in the event of repossession upon a dealer's default. Most of these agreements contain provisions which limit the Company's annual repurchase obligation. The Company accrues for the cost and losses that are anticipated in connection with expected repurchases. Such losses are mitigated by the Company's resale of repurchased products. Repurchases and losses incurred under these agreements have not and are not expected to have a significant impact on the Company's results of operations. The maximum potential repurchase commitments at December 31, 1995 and 1994, were approximately \$167.0 million and \$152.0 million, respectively.

The Company also has various agreements with financial institutions that provide limited recourse on marine and bowling capital equipment sales. The maximum potential recourse liabilities outstanding under these programs were approximately \$39.0 million and \$38.0 million at December 31, 1995 and 1994, respectively. Recourse losses have not and are not expected to have a significant impact on the Company's results of operations.

The Company had outstanding standby letters of credit and financial guarantees of approximately \$50.3 million and \$21.0 million at December 31, 1995 and 1994, respectively, representing conditional commitments whereby the Company guarantees performance to a third party. The majority of these commitments include guarantees of premium payment under certain of the Company's insurance programs and other guarantees issued in the ordinary course of business.

8. Financial Instruments

The Company enters into various financial instruments in the normal course of business and in connection with the management of its assets and liabilities.

The carrying values of the Company's short-term financial instruments, including cash and cash equivalents, marketable securities, accounts and note receivables, short-term debt and the current maturities of long-term debt, approximate their fair value because of the short maturity of these instruments. The fair value of the long-term debt is \$332.9 million and \$304.0 million, respectively, versus carrying amounts of \$312.8 million and \$318.8 million, respectively, at December 31, 1995 and 1994. The fair value of the Company's long-term investments was determined based on quoted market prices, where available. Discounted cash flows using market rates available for long-term debt with similar terms and remaining maturities were used in determining the fair value of long-term debt.

The Company has entered into interest rate swap agreements to reduce the impact of changes in interest rates on the Company's investments and borrowings. These agreements involve the exchange of interest payments based on underlying notional principal amounts. The differential to be paid or received is recognized over the lives of the agreements as an adjustment of interest income and other items, net or as interest expense. The Company is exposed to credit loss in the event of nonperformance by the other parties to the interest rate swap agreements. The Company regularly monitors its positions and the credit ratings of these counterparties and considers the risk of default to be remote.

At December 31, 1995 and 1994, the Company had an outstanding floating-to-floating interest rate swap agreement with a notional principal amount of \$260.0 million which term expires in September 2003. The swap matches the Company's invested cash portfolio. The interest rates on this agreement are set on a semi-annual basis in arrears. In September 1994, the Company entered into two \$260.0 million notional principal floating-to-floating interest rate swap agreements which terms expire in September 2003. The purpose of the agreements is to mitigate the exposure on the original \$260.0 million swap agreement. The interest rates on these agreements are set on an annual and semi-annual basis or quarterly basis in arrears, depending on the interest rate agreements. The fair value of the interest rate swaps is based on dealer quotes and represents the amount of consideration the Company would receive or pay to terminate the contracts. The estimated aggregate market value of these agreements at December 31, 1995 and 1994 were losses of \$0.7 million and \$5.4 million, respectively. Under the terms of the swap agreements, the timing of payments and receipts between the Company and its counterparties do not always

fall within the same accounting period. As a result, the Company has recorded prepaid assets related to the interest rate swap agreements at December 31, 1995 and 1994 of \$10.5 million and \$10.2 million, respectively. Other liabilities relating to the original interest rate swap agreement were \$4.6 million and \$4.3 million, respectively at December 31, 1995 and 1994.

At December 31, 1993, the Company also had outstanding fixed-to-floating interest rate swap agreements with notional principal amounts totaling \$200.0 million, which terms expire in September 1996. These agreements, which matched a portion of the Company's fixed rate debt, were terminated in September 1994 to recognize the loss on these agreements for tax purposes. A deferred loss of \$10.1 million is being amortized over the original terms of the interest rate swap agreements. The unamortized loss at December 31, 1995 is \$4.4 million. The Company replaced these agreements with interest rate swap agreements with notional principal amounts totaling \$200.0 million that contained revised rates, shorter terms and with counterparties. These agreements were terminated in October 1994. The impact of these terminations, which is being deferred and amortized over the original terms of the agreements, was not material.

The Company also enters into forward exchange contracts, whose durations are usually less than two years, to hedge the U.S. dollar exposure of its foreign operations. Realized and unrealized gains and losses on contracts are recognized and included in net earnings. Losses of \$4.2 million and \$2.9 million were included in net earnings for 1995 and 1994 and a gain of \$1.2 million was recorded in 1993.

Forward exchange contracts outstanding at December 31 were as follows:

(in millions)	Contract		Fair Market Value
	Foreign Currency	U.S. Dollar	
1995			
Belgium Franc	949.9	\$ 29.2	\$ 32.1
Japanese Yen	3,697.0	37.8	36.2
Swiss Franc	1.2	1.0	1.0
Italian Lira	242.8	0.2	0.2
French Franc	3.4	0.7	0.7
German Mark	4.2	3.1	2.9
Total		\$ 72.0	\$ 73.1
1994			
Belgium Franc	1,909.0	\$ 58.4	\$ 58.9
Canadian Dollar	22.4	16.0	16.0
Italian Lira	1,415.8	0.9	0.9
French Franc	4.0	0.7	0.7
German Mark	5.0	3.3	3.2
Total		\$ 79.3	\$ 79.7
1993			
Belgium Franc	1,057.2	\$ 29.2	\$ 29.8

The Company uses commodity swap agreements to hedge anticipated purchases of aluminum. Under the aluminum swap agreements, the Company receives or makes payments based on the difference between a specified price and the market price of aluminum. At December 31, 1995, the Company had swap agreements with dealers to exchange monthly payments on approximately 57% of the Company's total aluminum purchases in 1996 and 40% in 1997. The Company records the payments when received or made and does not have a carrying value recorded. These agreements have a notional principal value of \$32.0 million. During the year ended December 31, 1995, the Company had swaps covering approximately 60% of the 40 million pounds of aluminum purchased. During the year ended December 31, 1994, the Company had swaps covering approximately 31% of the 41 million pounds of aluminum purchased. The Company had no outstanding commodity swaps at December 31, 1993.

The fair market value of these agreements was \$0.3 million and \$6.4 million at December 31, 1995 and December 31, 1994, respectively. The fair market value was obtained from dealer quotes based on a financial model used to project future prices of aluminum.

The Company monitors and controls market risk from derivative activities by utilizing floating rates that historically have moved in tandem with each other,

matching positions and limiting the terms of contracts to short durations. To minimize credit risk, the Company limits derivative arrangements to those banks and investment firms that the Company has continuing business relationships with and regularly monitors the credit ratings of its counterparties. The Company prepares periodic analyses of its positions in derivatives to assess the current and projected status of these agreements.

The fair market value of the financial instruments held by the Company at December 31, 1995, may not be representative of the actual gains or losses that will be recorded when these instruments mature due to the volatility of the markets in which they are traded.

9. Segment Information

(in millions) 1995	Industry segments			Total Segments	Geographic segments			Consolidated
	Marine	Recreation	Elimin.		United States	Foreign	Elimin.	
Net sales								
Customers	\$ 2,282.2	759.2		\$ 3,041.4	\$ 2,532.2	509.2	-	\$ 3,041.4
Intersegment		4.5	(4.5)	-	237.1	38.5	(275.6)	-
	\$ 2,282.2	763.7	(4.5)	\$ 3,041.4	\$ 2,769.3	547.7	(275.6)	\$ 3,041.4
Operating earnings	\$ 230.9	50.6		\$ 281.5	230.6	50.9	-	\$ 219.6
Assets of continuing operations	\$ 1,136.7	464.2		\$ 1,600.9	1,417.1	183.8	-	\$ 2,360.5
Capital expenditures	89.9	31.1		- 121.0				1.7
Depreciation	59.7	26.3		- 86.0				1.8
Amortization	30.5	1.9		32.4				0.3
1994								
Net sales								
Customers	\$ 1,990.7	709.4		\$ 2,700.1	\$ 2,212.7	487.4	-	\$ 2,700.1
Intersegment		3.8	(3.8)	-	235.4	30.3	(265.7)	-
	\$ 1,990.7	713.2	(3.8)	\$ 2,700.1	\$ 2,448.1	517.7	(265.7)	\$ 2,700.1
Operating earnings	\$ 175.6	82.8		\$ 258.4	205.4	53.0	-	\$ 210.0
Assets of continuing operations	\$ 1,115.7	437.1		\$ 1,552.8	1,388.9	163.9	-	\$ 2,093.7
Capital expenditures	69.5	34.5		- 104.0				0.6
Depreciation	54.7	23.1		- 77.8				2.0
Amortization	38.1	1.5		39.6				0.4
1993								
Net sales								
Customers	\$ 1,571.2	635.6		\$ 2,206.8	\$ 1,802.7	404.1	-	\$ 2,206.8
Intersegment		3.7	(3.7)	-	197.4	35.4	(232.8)	-
	\$ 1,571.2	639.3	(3.7)	\$ 2,206.8	\$ 2,000.1	439.5	(232.8)	\$ 2,206.8
Operating earnings	\$ 53.7	80.0		\$ 133.7	95.5	38.2	-	\$ 99.8
Assets of continuing operations	\$ 1,031.0	375.4		\$ 1,406.4	1,258.7	147.7	-	\$ 1,957.6
Capital expenditures	51.1	34.0		- 85.1				10.7
Depreciation	56.7	19.5		- 76.2				1.9
Amortization	37.6	0.9		38.5				1.2

Net sales to customers include immaterial amounts sold to unconsolidated affiliates. Sales between domestic and foreign operations generally are priced with reference to prevailing market prices.

Operating earnings of segments do not include the expenses of corporate administration, other expenses and income of a nonoperating nature, and provisions for income taxes.

The Recreation segment's 1995 operating earnings include a \$25.8 million charge for the anticipated losses on the divestitures of the golf club shaft business and Circus World Pizza operations.

The Corporate operating expenses for 1995 include \$14.2 million in management transition expenses and costs associated with an early retirement and selective separation program at the Company's corporate office.

Corporate assets consist primarily of cash and marketable securities, prepaid income taxes and investments in unconsolidated affiliates.

The Company's export sales to unaffiliated customers for the three years ended December 31, 1995, 1994 and 1993, were \$294.5 million, \$190.6 million and \$181.4 million, respectively.

10. Accrued Expenses

Accrued expenses at December 31 were as follows:

(in millions)	1995	1994
Payroll and other compensation	\$97.8	\$80.3
Product warranties	89.5	78.3
Dealer allowances and discounts	72.9	67.9
Litigation and claims	40.9	45.1
Health and liability insurance	60.8	59.9
Restructuring charges and disposition costs	59.2	28.4

Taxes, other than income taxes	16.0	17.2
Other	82.4	78.7

Accrued expenses	\$519.5	\$455.8
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11. Debt

Short-term debt at December 31 consisted of the following:

(in millions)	1995	1994
Notes payable	\$ 0.3	\$ 2.6
Current maturities of long-term debt	5.8	5.6

Short-term debt	\$ 6.1	\$ 8.2
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Long-term debt at December 31 consisted of the following:

(in millions)	1995	1994
Mortgage notes and other, 3% to 10% payable through 2001	\$ 26.8	\$ 27.3
Notes, 8.125% due 1997, net of discount of \$0.1	99.9	99.9
Debentures, 7.375% due 2023 net of discount of \$0.9	124.1	124.1
Guaranteed ESOP debt, 8.13% payable through 2004	67.8	73.1

Current Maturities	318.6	324.4
	(5.8)	(5.6)

Long Term Debt	\$ 312.8	\$ 318.8
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Scheduled Maturities

1997	\$106.4
1998	10.8
1999	9.9
2000	8.0
Thereafter	177.7

\$312.8

On November 6, 1995, the Company and seventeen banks amended the long-term credit agreement and increased the amount to \$400 million from \$300 million. The termination date was extended to December 31, 2000. The \$100 million short-term credit agreement was canceled.

Under terms of the amended agreement, the Company has multiple borrowing options, including borrowing at a corporate base rate, as announced by The First National Bank of Chicago, or a rate tied to the Eurodollar rate. The Company must pay a facility fee of 0.11% per annum on the agreement.

Under the agreement, the Company is subject to interest coverage, net worth and leverage tests, as well as a restriction on secured debt, as defined. Under the interest coverage test, the Company is required to maintain a ratio of consolidated income before interest and taxes, as defined, to consolidated interest expense of not less than 2.0 to 1.0 on a cumulative twelve-month basis. This ratio on a cumulative twelve-month basis, was 8.6 to 1.0 at December 31, 1995. The leverage ratio of consolidated total debt to capitalization, as defined, may not exceed 0.55 to 1.00, and at December 31, 1995, this ratio was 0.23 to 1.00. The Company also is required to maintain shareholders equity of at least \$839.6 million at December 31, 1995. The required level of shareholders equity at December 31 of each subsequent year is increased by 50% of net earnings for that year. The Company has complied with this limitation and the secured debt limitation as of December 31, 1995. There were no borrowings under the credit agreement at December 31, 1995.

On August 9, 1993, the \$100 million 9.875% sinking fund debentures were redeemed by the Company at 105.704% of the principal amount of the debentures plus accrued interest to the redemption date. Proceeds of the Company's common stock offering in May 1992 of \$104.5 million, and cash from operations were used to redeem the debentures. The Company recorded an after-tax extraordinary loss of \$4.6 million (\$7.4 million pretax) relating to this transaction during the third quarter of 1993. On August 25, 1993, the Company sold \$125 million of 7.375% debentures maturing on September 1, 2023. The proceeds were used for general corporate purposes.

The interest rate on the ESOP notes, originally at 8.2% per annum, was reduced to 8.13% per annum, effective as of January 1, 1993, as a result of the change in tax law passed by the U.S. Congress in August 1993. Company contributions to the ESOP along with dividends paid on shares purchased with ESOP debt proceeds are used to service the ESOP debt. Under the terms of the ESOP debt agreement, future changes in tax law could cause the interest rate on the debt to vary within the range of 6.8% to 10.3%.

12. Consolidated Common Shareholders' Equity
(in millions, except per share data)

	Common stock Shares	Common stock Amount	Add'l paid-in capital	Retained earnings	Treasury Shares	stock Amount	Minimum pension liab adjmt	Unearned restricted stock	Cumul. transl. adjmt	Unamort. ESOP Expense	Total
Balance, December 31, 1992	100.7	\$75.5	\$261.7	\$667.3	(5.6)	\$(105.7)	-	\$(3.4)	\$8.9	\$(81.8)	\$822.5
1993											
Net Earnings	-	-	-	23.1	-	-	-	-	-	-	23.1
Dividends declared (\$.44 per common share)	-	-	-	(41.9)	-	-	-	-	-	-	(41.9)
Compensation plans and other	-	-	(0.3)	-	0.2	3.0	(6.7)	1.1	-	-	(2.9)
Deferred Compensation-ESOP	-	-	-	-	-	-	-	-	-	4.6	4.6
Currency translation	-	-	-	-	-	-	-	-	(1.0)	-	(1.0)
Balance, December 31, 1993	100.7	\$75.5	\$261.4	\$648.5	(5.4)	\$(102.7)	(\$6.7)	(\$2.3)	\$7.9	(\$77.2)	\$804.4
1994											
Net Earnings	-	-	-	129.0	-	-	-	-	-	-	129.0
Dividends declared (\$.44 per common share)	-	-	-	(42.0)	-	-	-	-	-	-	(42.0)
Compensation plans and other	-	-	0.1	-	0.2	4.4	6.0	(0.1)	-	-	10.4
Deferred Compensation-ESOP	-	-	-	-	-	-	-	-	-	5.0	5.0
Currency translation	-	-	-	-	-	-	-	-	3.9	-	3.9
Balance, December 31, 1994	100.7	\$75.5	\$261.5	\$735.5	(5.2)	\$(98.3)	(\$0.7)	(\$2.4)	\$11.8	(\$72.2)	\$910.7
1995											
Net income	-	-	-	127.2	-	-	-	-	-	-	127.2
Dividends declared (\$.50 per common share)	-	-	-	(47.9)	-	-	-	-	-	-	(47.9)
Compensation plans and other	-	-	(0.7)	-	0.6	13.3	(2.7)	(3.9)	-	-	6.0
Deferred Compensation-ESOP	-	-	-	-	-	-	-	-	-	5.2	5.2
Purchase of stock by master pe	1.8	1.4	38.6	-	-	-	-	-	-	-	40.0
Currency translation	-	-	-	-	-	-	-	-	1.9	-	1.9
Balance, December 31, 1995	102.5	\$76.9	\$299.4	\$814.8	(4.6)	\$(85.0)	(\$3.4)	(\$6.3)	\$13.7	(\$67.0)	\$1,043.1

At December 31, 1995, 1994 and 1993, the Company had no preferred stock outstanding (Authorized: 12.5 million shares, \$.75 par value at December 31, 1995)

13. Litigation

The Company is subject to certain legal proceedings and claims which have arisen in the ordinary course of its business and have not been finally adjudicated. In 1995, 1994 and 1993, the Company recorded pretax provisions of \$7.8 million, \$15.6 million and \$18.2 million (\$4.8 million, \$9.7 million and \$11.2 million after-tax), respectively, for litigation matters. In light of existing reserves, the Company's litigation and environmental claims, including those discussed below, when finally resolved, will not, in the opinion of management, have a material adverse effect on the Company's consolidated financial position and results of operations.

The Company is involved in certain legal and administrative proceedings under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and other federal and state legislation governing the generation and disposition of certain hazardous wastes. These proceedings, which involve both on and off site waste disposal, in many instances seek compensation from the Company as a waste generator under Superfund legislation which authorizes action regardless of fault, legality of original disposition or ownership of a disposal site.

On December 7, 1995, Independent Boat Builders, Inc. (IBBI), a boat materials buying group, and eighteen of its boat building members, brought suit against the Company in the United States District court for the Eastern District of Arkansas alleging that the company has unlawfully acquired and maintained a monopoly of the domestic stern drive marine engine market and has attempted to monopolize the domestic stern drive recreational boat market through its acquisitions of the Company's current boat companies and its marketing, sales and business practices. On February 29, 1996, the Plaintiffs and five additional members of IBBI filed an Amended Complaint making similar allegations with respect to the Company's manufacture and sale of outboard engines and boats powered by outboard engines, and asserting that certain of the Company's agreements with its dealers violate the antitrust laws. The Plaintiffs have requested an injunction requiring the Company to divest its boat manufacturing operations and to cease the alleged monopolizing practices, as well as actual damages, treble damages, punitive damages, and attorneys fees and costs. The Company believes, based upon its assessment of the complaint and in consultation with counsel, that this litigation is without merit and intends to defend itself vigorously. The Company has filed its answer to the complaint and the parties have begun the discovery process. On February 12, 1996 the Company filed a counterclaim in this litigation against the Plaintiffs alleging that the Plaintiffs have unlawfully conspired to restrain trade in violation of Federal antitrust laws. The Company intends to aggressively pursue its counterclaim,

which seeks injunctive relief, the dissolution of IBBI, actual and treble damages, attorney's fees and costs.

On February 3, 1995, the Company announced a series of agreements with Genmar Industries, Inc., including settlement of an antitrust lawsuit brought by Genmar against the Company. Agreements were entered to supply Genmar with marine engines manufactured by the Company and to acquire certain investments in Baja Boats, Inc. from Genmar. The Company's total cash payment relating to these agreements was \$22.5 million and had no material impact on the results of operations of the Company.

The Federal Trade Commission is conducting an investigation of whether the formation or operations of Tracker Marine, L.P. and the Company's contracts with Tracker Marine, L.P. violate antitrust laws. The Company has received and responded to subpoenas seeking information relating to the Company's outboard motor sales. The Company understands that other marine companies have received similar subpoenas from the Federal Trade Commission.

14. Stock Plans and Management Compensation

On April 24, 1991, shareholders of the Company approved the 1991 Stock Plan (Plan) to succeed the 1984 Restricted Stock Plan and the 1971 Stock Plan. Under this Plan, the Company may grant non-qualified stock options, incentive stock options, stock appreciation rights and restricted stock and other various types of awards to executives and other management employees of the Company. The Plan as originally adopted provided for the issuance of a maximum of 5,000,000 shares of common stock of the Company. On October 24, 1995, the Board of Directors amended the plan to increase the number of shares issuable under the plan by 6,200,000 shares, subject to shareholders approval at the Company's Annual Meeting on April 24, 1996. Common stock issued under the plan may be either authorized, but unissued shares or treasury shares.

Non-qualified stock options were awarded to 377, 364 and 413 executives and management employees of the Company in 1995, 1994 and 1993, respectively. Under the terms of the Plan, the option price per share may not be less than 100% of the fair market value on the date of grant. The stock options are exercisable over a period of time determined by the Compensation Committee of the Board of Directors. In the event of a change in control as defined below, the option holder may exercise all unexercised options until the earlier of the stated expiration date or two years following termination of employment. At December 31, 1995, 1,386,165 shares were exercisable under outstanding options at a weighted average option price of \$15.88 per share.

Restricted shares were also awarded to certain senior executives of the Company during 1995, 1994 and 1993. Restrictions will lapse on a portion of these shares four years from the date of grant and after five years on the remaining shares. As the restrictions lapse, the shares awarded are transferred to the employees. According to the terms of this grant, a participant may elect within 90 days of a change in control to terminate the restricted period for all shares awarded to him. Charges against earnings from continuing operations for the compensation element of the Plan were \$0.6 million, \$0.5 million and \$0.3 million for 1995, 1994 and 1993, respectively.

Also in 1995, the Company granted stock awards to certain senior executives to compensate them for the forfeiture of compensation and other employee benefits to which they had been entitled at their former employers. Of these shares, 149,079 are held in trust until termination of employment.

Stock option and restricted stock activities including discontinued operations were as follows:

	Stock Options Outstanding	Average Price	Restricted Stock Outstanding	Available for Grant
At December 31,				
1992	797,700	-----	71,050	4,131,250
Granted	825,475	\$16.600	87,575	(913,050)
Exercised	(8,870)	\$13.875	0	-----
Canceled	(29,540)	\$15.332	0	29,540
At December 31,				
1993	1,584,765	-----	158,625	3,247,740
Granted	719,150	\$18.217	102,989	(822,139)
Exercised	(124,765)	\$14.596	(4,925)	-----
Canceled	(81,910)	\$16.401	(21,175)	81,910

At December 31,				
1994	2,097,240	-----	235,514	2,507,511
Granted	1,395,850	\$19.419	109,101	(1,504,951)
Exercised	(114,265)	\$15.043	(179,115)	-----
Canceled	(45,740)	\$17.912	0	45,740
Stock awards	-----	\$20.140	-----	(151,079)

At December 31,				
1995	3,333,085	-----	165,500	897,221

Under the 1971 Stock Plan (1971 Plan), certain other management employees were granted shares of the Company's common stock at no cost during 1988 through 1991. There have been no grants since 1991 and there will be no further grants under the 1971 Plan. The shares awarded under the 1971 Plan are subject to restrictions which lapse ratably over a period of one to five years. The shares will be released at the time of a change in control of the Company or on a date selected by the Compensation Committee. Charges against earnings from continuing operations for the compensation element of the 1971 Plan were \$0.1 million, \$0.2 million and \$0.4 million in 1995, 1994 and 1993, respectively.

Subject to shareholder approval at the April 24, 1996 Annual Meeting, the Board of Directors of the Company has adopted the 1995 Stock Plan for Non-Employee Directors. Under this plan, the Company has agreed to pay the non-employee directors at retirement common stock equal to the July 25, 1995 present value of benefits at retirement under the non-employee directors pension plan, which has been terminated. New directors receive a \$25,000 common stock award under the plan. The plan also provides that certain fees and annual retainers be paid in common stock. Awards for the pension benefits and for new directors are deferred until retirement, and directors may elect to defer receipt of the stock issued for annual retainers and fees. In 1995 89,776 shares of common stock were issued under the plan and held in trust.

On April 26, 1994, shareholders of the Company approved the 1994 Stock Option Plan for Non-Employee Directors. Under this plan, the Company may grant options to non-employee directors to purchase up to a maximum of 200,000 shares of the Company's common stock with the grant price being the market price at the date of grant. Stock option activities were as follows:

	Stock Options Outstanding	Average Option Price	Available for Grant
At January 1, 1994	----	-----	200,000
Granted	22,500	\$22.75	(22,500)
Exercised	0		-----
Canceled	0		0
At December 31, 1994			
	22,500	-----	177,500
Granted	24,800	\$21.00	(24,800)
Exercised	0		-----
Canceled	0		0
At December 31, 1995			
	47,300	-----	152,700

In October 1995, the Financial Accounting Standards Board issued Statement No. 123, Accounting for Stock-Based Compensation, which encourages, but does not require, companies to recognize compensation expense for grants of common stock, stock options and other equity instruments to employees based on new fair value accounting rules. The Company does not expect to adopt the new rules and will continue to apply the existing accounting rules contained in Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees. Statement No. 123 requires companies to comply with certain disclosures about stock-based employee compensation arrangements regardless of the method used to account for them in 1996.

A "change in control of the Company" occurs when (1) any person is or becomes a beneficial owner directly or indirectly of 30% or more of the combined voting power of the Company, (2) individuals nominated by the Board of Directors for election as directors do not constitute a majority of the Board of Directors after such elections or (3) a tender offer is made for the Company's stock, involving a control block, which is not negotiated and approved by the Board of Directors.

The Company has employment agreements with certain executive officers that

become operative only upon a change in control of the Company, as defined above. In 1989, the Company established a severance plan for all other salaried employees of the Company which also only becomes operative upon a change in control of the Company. Compensation which might be payable under these agreements and the severance plan has not been accrued in the consolidated financial statements as a change in control has not occurred.

Under the Brunswick Employee Stock Ownership Plan (ESOP), the Company may make annual contributions to a trust for the benefit of eligible domestic employees in the form of either cash or common shares of the Company. In April 1989, the Company's Board of Directors approved an amendment to the ESOP that permits the ESOP to borrow funds to acquire the Company's common shares. Subsequent to that amendment, the ESOP obtained a bridge loan of \$100 million and purchased from the Company 5,095,542 shares (ESOP Shares) of the Company's common stock at a price of \$19.625 per share. The bridge loan was repaid with notes sold on February 27, 1990. The debt of the ESOP is guaranteed by the Company and is recorded in the Company's consolidated financial statements.

The ESOP Shares are maintained in a Suspense Account until released and allocated to participants' accounts. The release of shares from the Suspense Account is determined by multiplying the number of shares in the Suspense Account by the ratio of debt service payments (principal plus interest) made by the ESOP during the year to the sum of the debt service payments made by the ESOP in the current year plus the debt service payments to be made by the ESOP in future years. Allocation of released shares to participants' accounts is done at the discretion of the Compensation Committee of the Board of Directors. Shares committed-to-be released, allocated and remaining in suspense at December 31 were as follows:

Share accounts	1995	1994
Committed-to-be released	298,098	298,806
Allocated	1,450,545	1,310,686
Suspense	2,788,656	3,116,075

The Accounting Standards Division of the American Institute of Certified Public Accountants issued Statement of Position 93-6 (SOP 93-6), Employers' Accounting for Employee Stock Ownership Plans, in November 1993. SOP 93-6 requires accounting for ESOPs under the shares allocated method for shares purchased by ESOPs after December 31, 1992. The Company is covered by the grandfather provisions of SOP 93-6 for its current ESOP shares which were purchased from the Company prior to December 31, 1992 and are accounted for under the cash payment method. All ESOP shares are considered outstanding for earnings (loss) per common share purposes.

The expense recorded by the Company since 1989 is based on cash contributed or committed to be contributed by the Company to the ESOP during the year, net of dividend payments to the ESOP. Unamortized ESOP expense is reduced as the Company recognizes compensation expense. Dividend payments made by the Company to the ESOP are reported as a reduction of retained earnings and are used by the ESOP to pay down ESOP debt. The Company's contributions to the ESOP were as follows:

(in millions)	1995	1994	1993
Compensation expense	\$ 2.9	\$ 2.9	\$ 2.4
Interest expense	5.8	6.2	6.6
Dividends	2.3	2.1	2.2
Total debt service payments	\$11.0	\$11.2	\$11.2

15. Retirement and Employee Benefit Costs

The Company has pension and retirement plans covering substantially all of its employees, including certain employees in foreign countries.

Pension cost of continuing operations for all plans was \$12.7 million, \$11.2 million and \$7.3 million in 1995, 1994 and 1993, respectively. Plan benefits are based on years of service, and for some plans, the average compensation prior to retirement. Plan assets generally consist of debt and equity securities, real estate and investments in insurance contracts.

Pension costs for 1995, 1994 and 1993, determined in accordance with the Financial Accounting Standards Board Statement No. 87, "Employers' Accounting for Pensions" (SFAS No. 87), included the following components:

(in millions)	1995	1994	1993
---------------	------	------	------

Service cost-benefits earned during the period	\$ 11.6	\$ 11.7	\$ 9.4
Interest cost on projected benefit obligation	34.2	31.2	29.4
Actual return on assets	(90.8)	3.0	(25.7)
Net amortization and deferral	57.7	(34.7)	(5.8)
Net pension cost	\$ 12.7	\$ 11.2	\$ 7.3

The funded status of the plans accounted for in accordance with SFAS No. 87 and the amounts recognized in the Company's balance sheets at December 31 were as follows:

(in millions)	Plans whose assets exceed accumulated benefits	Plans whose accumulated benefits exceed assets	Plans whose assets exceed accumulated benefits	Plans whose accumulated benefits exceed assets
Actuarial present value of:				
Vested benefit obligation	\$ (440.1)	\$ (43.9)	\$ (316.8)	\$ (23.9)
Nonvested benefit obligation	(30.5)	(0.4)	(22.8)	(0.2)
Accumulated benefit obligation	(470.6)	(44.3)	(339.6)	(24.1)
Effects of anticipated future compensation levels and other events	(59.3)	(7.5)	(43.3)	(5.3)
Projected benefit obligation	(529.9)	(51.8)	(382.9)	(29.4)
Plan assets at fair value	543.3	13.7	361.0	2.0
Plan assets in excess of (less than) projected benefit obligation	13.4	(38.1)	(21.9)	(27.4)
Unrecognized net transition asset	(6.6)	1.6	(12.3)	1.8
Unrecognized prior service cost	17.2	(0.1)	20.5	(0.2)
Net unrecognized loss from past experience different from assumed and effects of changes in assumptions	60.4	10.0	64.0	3.7
Adjustment to recognize minimum liability	--	(6.1)	--	(1.6)
Pension asset (liability) recognized in financial statements	\$84.4	\$ (32.7)	\$50.3	\$ (23.7)

The projected benefit obligations were determined primarily using assumed weighted average discount rates of 7.25% in 1995 and 8.5% in 1994, and an assumed compensation increase of 5.5% in 1995 and 1994. The assumed weighted average long-term rate of return on plan assets was primarily 9% in 1995 and 1994.

The unrecognized asset or liability at the initial adoption of SFAS No. 87 is being amortized on a straight-line basis over 10 years for the Company's domestic plans and over the average remaining service period of plan participants for the Company's foreign plans. The unrecognized prior service cost is being amortized on a straight-line basis over the average remaining service period of plan participants.

Two of the Company's salaried pension plans provide that in the event of a termination, merger or transfer of assets of the plans during the five years following a change in control of the Company occurring on or before April 1, 2001, benefits would be increased so that there would be no excess net assets. The Company's supplemental pension plan provides for a lump sum payout to plan participants of the present value of accumulated benefits upon a change in control of the Company. For a definition of change in control of the Company

refer to Note 14.

Sea Ray employees participate in a noncontributory employee stock ownership and profit sharing plan, under which the Company makes annual cash contributions to a trust for the benefit of eligible employees. The charges to net earnings for this plan were \$3.2 million, \$2.5 million and \$1.3 million in 1995, 1994 and 1993, respectively.

Certain other Brunswick employees participate in a profit sharing plan to which the Company makes cash contributions. Participants become vested in the contributions after they are employed for a specified period. This plan resulted in charges to net earnings of \$3.1 million, \$3.0 million and \$2.2 million in 1995, 1994 and 1993, respectively.

The Brunswick Retirement Savings Plan for salaried and certain hourly employees, including employees of discontinued operations, allows participants to make contributions via payroll deductions pursuant to section 401(k) of the Internal Revenue Code. Effective January 1, 1991, the Company makes a minimum matching contribution of 5% of a participant's pretax contributions limited to 6% of their salary. The Company may increase the matching percentage to 30% of the participant's pretax contributions. The Company made a 30% matching contribution in 1995 and 1994 and a 10% matching contribution in 1993. The Company's contributions are made in common stock of the Company. The net charges to continuing operations for matching contributions were \$2.3 million, \$2.1 million and \$0.5 million in 1995, 1994 and 1993, respectively.

In addition to providing benefits to present employees, the Company currently provides certain health care and life insurance benefits for eligible retired employees. Employees may become eligible for those benefits if they have fulfilled specific age and service requirements. The Company monitors the cost of these plans, and has, from time to time, changed the benefits provided under these plans. The plans contain requirements for retiree contributions generally based on years of service as well as other cost sharing features such as deductibles and copayments. The Company reserves the right to make additional changes or terminate these benefits in the future. The Company's plans are not funded; claims are paid as incurred.

Effective January 1, 1992, the Company adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (SFAS No. 106), for its domestic unfunded postretirement health care and life insurance programs. SFAS No. 106 requires the cost of postretirement benefits to be accrued during the service lives of employees. The cumulative effect on years prior to 1992 of adopting SFAS No. 106 on an immediate recognition basis, including discontinued operations, was to decrease net earnings by \$38.3 million. Postretirement benefit cost was \$4.5 million, \$5.3 million and \$6.4 million in 1995, 1994 and 1993, respectively.

Net periodic postretirement benefit cost of continuing operations for 1995, 1994 and 1993 included the following components:

(in millions)	1995	1994	1993
Service cost-benefits attributed to service during the period	\$1.2	\$1.5	\$1.5
Interest cost on accumulated postretirement benefit obligation	4.3	4.2	4.9
Net amortization and deferral	(1.0)	(0.4)	----
Net periodic postretirement benefit cost	\$4.5	\$5.3	\$6.4

The amounts recognized in the Company's balance sheets at December 31 were as follows:

(in millions)	1995	1994
Accumulated postretirement benefit obligation:		
Retirees	\$ 40.9	\$ 24.9
Fully eligible active plan participants	6.5	4.8
Other active plan participants	29.3	23.8
Total	76.7	53.5
Unrecognized prior service cost	2.4	2.5
Unrecognized net gains	6.9	12.2

Post retirement liability recognized

in financial statements

\$86.0 \$68.2

The postretirement liability for the Company's discontinued Technical segment of \$16.7 million was included in the net assets of discontinued operations at December 31, 1994. Under the terms of the sales agreement, the postretirement liability has been retained by the Company and included above at December 31, 1995.

The accumulated postretirement benefit obligation was determined using weighted average discount rates of 7.25% in 1995 and 8.5% in 1994, and an assumed compensation increase of 5.5% in 1995 and 1994. The health care cost trend rates were assumed to be 9.7% and 7% in 1996 for pre-65 and post-65 benefits, respectively, gradually declining to 5% after six years and years, respectively, and remaining at that level thereafter. The health care cost trend rates were assumed to be 10.4% and 8% in 1995 for pre-65 and post-65 benefits, respectively, gradually declining to 5% after seven years and three years, respectively, and remaining at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. For example, a 1% increase in the health care trend rate would increase the accumulated postretirement benefit obligation by \$7.3 million at December 31, 1995 and the net periodic cost by \$1.0 million for the year.

Effective January 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 112, Employers Accounting for Postemployment Benefits (SFAS No. 112), for employees disability benefits. SFAS No. 112 requires the accrual method for recognizing the cost of postemployment benefits. The cumulative effect on years prior to 1993 of adopting SFAS No. 112, including discontinued operations, was to decrease net earnings by \$14.6 million. The effect of this change on 1995, 1994 and 1993 consolidated results of operations was not material.

16. Income Taxes

The sources of earnings (loss) before income taxes are presented as follows:

(in millions)	1995	1994	1993
United States	\$197.1	\$191.6	\$89.0
Foreign	11.0	6.8	(2.5)
Earnings before income taxes	\$208.1	\$198.4	\$86.5

The income tax provision (benefit) consisted of the following:

(in millions)	1995	1994	1993
Current tax expense			
U. S. Federal	\$56.7	\$ 48.3	\$ 13.9
State and local	8.9	2.6	11.1
Foreign	7.7	8.4	7.0
Total current	\$73.3	\$ 59.3	\$ 32.0
Deferred tax expense			
U.S. Federal	\$ 2.0	\$ 4.2	\$ 8.5
State and local	(2.4)	6.6	(7.0)
Foreign	1.0	(0.7)	(1.5)
Total deferred	\$ 0.6	\$ 10.1	\$ 0.0
Total provision	\$73.9	\$ 69.4	\$ 32.0

Temporary differences and carryforwards which give rise to deferred tax assets and liabilities at December 31 are as follows:

(in millions)	1995	1994
Deferred tax assets		
Litigation and claims	\$18.3	\$18.6
Product warranty	36.9	33.1
Dealer allowance and discounts	15.2	15.8
Bad debts	9.5	9.8
Sales of businesses	16.1	9.9
Insurance reserves	28.9	27.3
Restructuring	13.5	4.8

Loss carryforwards and carrybacks	14.4	13.0
Other	54.2	45.9
Valuation allowance	(3.2)	(3.2)
Total Deferred tax assets	\$203.8	\$175.0
Deferred tax liabilities (assets)		
Depreciation and amortization	\$32.6	\$24.5
Postretirement and postemployment benefits	(22.1)	(22.2)
Other assets and investments	84.7	86.5
Other	62.6	45.0
Total deferred tax liabilities	\$157.8	\$133.8

The valuation allowance relates to deferred tax assets established under SFAS No. 109 for capital loss carry-forwards of \$2.9 million, and state net operating loss carryforwards of \$0.3 million. These unutilized loss carryforwards, which will expire through 2000, will be carried forward to future years for possible utilization. No benefit for these carryforwards has been recognized in the financial statements. No other valuation allowances were deemed necessary as all deductible temporary differences will be utilized primarily by carryback to prior years taxable income or as charges against reversals of future taxable temporary differences. Based upon prior earnings history, it is expected that future taxable income will be more than sufficient to utilize the remaining deductible temporary differences.

Deferred taxes have been provided, as required, on the undistributed earnings of foreign subsidiaries and unconsolidated affiliates.

The difference between the actual income tax provision and the tax provision computed by applying the statutory Federal income tax rate to earnings before taxes is attributable to the following:

(in millions)	1995	1994	1993
Income tax provision at 35%	\$ 72.8	\$ 69.4	\$ 30.3
State and local income taxes, net of Federal income tax effect	4.3	5.8	2.7
Foreign sales corporation benefit	(1.7)	(1.5)	(1.5)
Taxes related to foreign income, net of credits	0.8	(2.3)	(1.9)
Goodwill and other amortization	0.8	0.8	1.8
Enacted tax rate change	-----	-----	(3.6)
Other	(3.1)	(2.8)	4.2
Actual income tax provision	\$ 73.9	\$ 69.4	\$ 32.0
Effective tax rate	35.5%	35.0%	37.0%

In January 1994, the Company reached an agreement with the U. S. Internal Revenue Service regarding its examination of the Company for the years 1985 and 1986. The issues of their examination dealt primarily with the deductibility of approximately \$500 million of acquired intangible assets, which the IRS proposed to reclassify to non-deductible intangible assets. Under the terms of the agreement, the IRS agreed to allow amortization deductions for virtually all of the acquired intangible assets, and the Company agreed to increase the amortizable lives of most of the acquired intangible assets.

The revised lives created a temporary difference which resulted in an initial obligation by the Company to pay the IRS approximately \$55 million during the first quarter of 1994, representing taxes and interest, net of taxes for the years 1986 through 1993. This initial \$55 million obligation will subsequently be reduced by the future tax benefits of the temporary difference created by the agreement. Since the interest was charged to existing reserves and the taxes paid represent temporary differences which created, and have been recorded as deferred tax assets, this agreement had no impact on the Company's consolidated results of operations.

17. Translation of Foreign Currencies

Most of the Company's entities use the local currency as the functional currency and translate all assets and liabilities at year-end exchange rates, all income and expense accounts at average rates and record adjustments resulting from the translation in a separate component of common shareholders equity. The following is an analysis of the cumulative translation adjustments reflected in common shareholders equity:

(in millions)	1995	1994	1993
Balance at January 1	\$11.8	\$ 7.9	\$ 8.9
Translation and other	3.9	7.8	(1.9)
Allocated income taxes	(2.0)	(3.9)	0.9
Balance at December 31	\$13.7	\$11.8	\$ 7.9

The remaining foreign entities translate monetary assets and liabilities at year-end exchange rates and inventories, property and nonmonetary assets and liabilities at historical rates. Income and expense accounts are translated at the average rates in effect during the year, except that depreciation and cost of sales are translated at historical rates. Adjustments resulting from the translation of these entities are included in the results of operations. Gains and losses resulting from transactions of the Company and its subsidiaries which are made in currencies different from their own are included in income as they occur. Currency losses of \$3.6 million, \$5.4 million and \$1.0 million were recorded in 1995, 1994 and 1993, respectively.

18. Leases

The Company has various lease agreements for offices, branches, factories, distribution and service facilities, certain Company-operated bowling centers, and certain personal property. These obligations extend through 2028. Most leases contain renewal options and some contain purchase options. Many leases for Company-operated bowling centers contain escalation clauses, and many provide for contingent rentals based on percentages of gross revenue. No leases contain restrictions on the Company's activities concerning dividends, additional debt or further leasing.

Rent expense consisted of the following:

(in millions)	1995	1994	1993
Basic expense	\$22.8	\$22.0	\$21.2
Contingent expense	0.6	0.6	0.6
Sublease income	(1.9)	(1.7)	(1.2)
Rent expense, net	\$21.5	\$20.9	\$20.6

Future minimum rental payments at December 31, 1995, under agreements classified as operating leases with noncancelable terms in excess of one year, are as follows:

(in millions)	
1996	\$ 8.8
1997	10.1
1998	12.0
1999	8.0
2000	7.1
Thereafter	12.6
Future minimum operating lease rental payments (not reduced by minimum sublease rentals of \$1.1 million)	\$58.6

19. Technological Expenditures

Technological expenditures consisted of the following:

(in millions)	1995	1994	1993
Research and development	\$ 90.4	\$ 68.6	\$ 60.8
Engineering and other	6.5	10.9	9.0
Technological expenditures	\$ 96.9	\$ 79.5	\$ 69.8

20. Preferred Share Purchase Rights

In March 1986, the Company's Board of Directors declared a dividend of one Preferred Share Purchase Right (Old Right) on each outstanding share of the Company's common stock. After the two-for-one stock split distributed on June 9, 1987, under certain conditions, each holder of Old Rights may purchase one one-hundredth share of a new series of junior participating preferred stock at an exercise price of \$100 for each two Old Rights held. The Old Rights expire on March 31, 1996.

On February 6, 1996, the Board of directors declared a dividend payable on April 1, 1996 of one Preferred Share Purchase Right (New Right) on each outstanding share of the Company's common stock. Under certain conditions each holder of New Rights may purchase one one-thousandth of a share of a new series of junior participating preferred stock at an exercise price of \$85 for each New Right held. The new Rights expire on April 1, 2006.

The Old Rights and the New Rights (collectively the Rights) become exercisable at the earlier of (1) a public announcement that a person or group acquired or obtained the right to acquire 15% or more on the Company's common stock or (2) fifteen days (or such later time as determined by the Board of Directors) after commencement or public announcement of an offer for more than 15% of the Company's common stock. After a person or group acquires 15% or more of the common stock of the Company, other shareholders may purchase additional shares of the Company at fifty percent of the current market price. These Rights may cause substantial ownership dilution to a person or group who attempts to acquire the Company without approval of the Company's Board of Directors.

The Rights, which do not have any voting rights, may be redeemed by the Company at a price of \$.025 per Old Right and \$.01 per New Right at any time prior to a person's or group's acquisition of 15% or more of the Company's common stock. The new series of preferred stock that may be purchased upon exercise of the Rights may not be redeemed and may be subordinate to other series of the Company's preferred stock designated in the future. A Right also will be issued with each share of the Company's common stock that becomes outstanding prior to the time the Rights become exercisable or expire.

In the event that the Company is acquired in a merger or other business combination transaction, provision will be made so that each holder of Rights will be entitled to buy the number of shares of common stock of the surviving company, which at the time of such transaction would have a market value of two times the exercise price of the Rights.

21. Unconsolidated Affiliates and Subsidiaries

The Company has certain unconsolidated foreign and domestic affiliates that are accounted for on the equity method.

Summary financial information of the unconsolidated affiliates is presented below:

(in millions)	1995	1994	1993
Net sales	\$414.4	\$392.3	\$332.2
Gross margin	\$ 62.9	\$ 80.4	\$ 70.5
Net earnings	\$ 17.8	\$ 26.0	\$ 24.2
Company's share of net earnings	\$ 11.5	\$ 10.1	\$ 11.3
Current assets	\$200.1	\$178.5	\$155.4
Non-current assets	123.5	114.2	104.2
Total assets	323.6	292.7	259.6
Current liabilities	(157.4)	(134.9)	(125.1)
Non-Current liabilities	(17.8)	(27.2)	(28.8)
Net assets	\$148.4	\$130.6	\$105.7

The net sales of affiliates include an insignificant amount of sales to the Company.

23. Quarterly Data (unaudited)

(in millions, except per share data)	1st	2nd	Quarter		Year
1995			3rd	4th	
Net sales	\$ 774.2	\$ 839.2	\$ 725.7	\$ 702.3	\$ 3,041.4
Gross margin	\$ 215.4	\$ 244.9	\$ 193.8	\$ 179.4	\$ 833.5
Earnings from continuing operations	\$ 40.2	\$ 37.1	\$ 34.7	\$ 22.2	\$ 134.2
Loss on disposition of Technical segment	-	(7.0)	-	-	(7.0)
Net earnings	\$ 40.2	\$ 30.1	\$ 34.7	\$ 22.2	\$ 127.2
Per common share					
Earnings from continuing operations	\$ 0.42	\$ 0.38	\$ 0.36	\$ 0.23	\$ 1.39
Discontinued operations	-	(0.07)	-	-	(0.07)
Loss on disposition of Technical segment	-	(0.07)	-	-	(0.07)
Net earnings	\$ 0.42	\$ 0.31	\$ 0.36	\$ 0.23	\$ 1.32
Dividends declared	\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.125	\$ 0.50

Common stock price (NYSE)					
High	\$21	\$23 1/2	\$21 3/8	\$24	\$24
Low	\$18 7/8	\$16 3/8	\$16 7/8	\$19	\$16 3/8

1994					
Net sales	\$ 634.9	\$ 748.2	\$ 662.1	\$ 654.9	\$ 2,700.1
Gross margin	\$ 176.3	\$ 225.4	\$ 177.1	\$ 169.6	\$ 748.4
Earnings from continuing operations	\$ 26.4	\$ 55.2	\$ 29.4	\$ 18.0	\$ 129.0
Net earnings	\$ 26.4	\$ 55.2	\$ 29.4	\$ 18.0	\$ 129.0
Per common share					
Earnings from continuing operations	\$ 0.28	\$ 0.58	\$ 0.31	\$ 0.19	\$ 1.35
Net earnings	\$ 0.28	\$ 0.58	\$ 0.31	\$ 0.19	\$ 1.35
Dividends declared	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.44

Common stock price (NYSE)					
High	\$23 5/8	\$25 1/8	\$24 5/8	\$22	\$25 1/8
Low	\$18 1/8	\$20 1/8	\$19 7/8	\$17	\$17

Second quarter net earnings in 1995 include an after-tax charge of \$24.4 million for the losses on the divestiture of the golf club shaft business and Circus World Pizza operations in the Recreation segment and management transition expenses and the cost of an early retirement and selective separation program at the Company's corporate office.

Report of Management

The consolidated balance sheets of Brunswick Corporation as of December 31, 1995 and 1994, and the related consolidated statements of operations, cash flows and stockholders equity for each of the three years in the period ending December 31, 1995, have been prepared by management, which is responsible for their integrity and objectivity. The statements have been prepared in conformity with generally accepted accounting principles and include some amounts that are based upon management's best estimates and judgements and contain all normal and recurring adjustments to present fairly the results of operations. The financial information contained elsewhere in this annual report is consistent with that contained in the financial statements.

The Company maintains accounting and related internal control systems which are intended to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce records necessary for the preparation of financial information. There are limits inherent in all systems of internal control, and the cost of the systems should not exceed the expected benefits. Through the use of a program of internal audits performed by a professional staff of corporate auditors and through discussions with and recommendations from its independent public accountants the Company periodically reviews these systems and controls and compliance therewith.

The Audit Committee of the Board of Directors, comprised entirely of non-employee directors, meets regularly with management, the internal auditors, and the independent public accountants to review the results of their work and to satisfy itself that their responsibilities are being properly discharged. The internal auditors and independent public accountants have full and free access to the Audit Committee and have discussions regarding appropriate matters, with and without management present.

Report of Independent Public Accountants

To the Shareholders of Brunswick Corporation:

We have audited the accompanying consolidated balance sheets of Brunswick Corporation (a Delaware Corporation) and Subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of results of operations and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our

opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brunswick Corporation and Subsidiaries as of December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

As discussed in Note 15 to the consolidated financial statements, effective January 1, 1993, the Company changed its method of accounting for postemployment benefits.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the index of financial statements is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Arthur Andersen LLP
Chicago, Illinois,
January 30, 1996

Brunswick Corporation
Five Year Financial Summary

(in millions, except ratios and per share data	1995	1994	1993	1992	1991
Results of Operations Data					
Net sales	\$3,041.4	\$2,700.1	\$2,206.8	\$2,059.4	\$1,841.0
Depreciation	87.8	79.8	78.1	77.8	84.0
Amortization	32.7	40.0	39.7	38.1	41.0
Operating earnings(loss)	219.6	210.0	99.8	79.8	(18.4)
Earnings(loss) before income taxes	208.1	198.4	86.5	62.0	(40.5)
Earnings(loss) from continuing operations before extraordinary item and cumulative effect of accounting changes	134.2	129.0	54.5	39.7	(35.0)
Cumulative effect on prior years of changes in accounting principles	-	-	(14.6)	(38.3)	-
Extraordinary loss from retirement of debt	-	-	(4.6)	-	-
Discontinued operations					
Earnings(loss) from discontinued operations	-	-	-	(1.7)	11.3
Gain(estimated loss) on divestitures of Technical segment businesses	(7.0)	-	(12.2)	(26.0)	-
Net earnings(loss)	127.2	129.0	23.1	(26.3)	(23.7)
Per Common Share Data					
Earnings(loss) from continuing operations before extraordinary item and cumulative effect of accounting changes	\$ 1.39	\$ 1.35	\$ 0.57	\$ 0.43	\$ (0.40)
Cumulative effect on prior years of changes in accounting principles	-	-	(0.15)	(0.41)	-
Extraordinary item	-	-	(0.05)	-	-
Discontinued operations					
Earnings(loss) from discontinued operations	-	-	-	(0.02)	0.13
Gain(estimated loss) on divestitures of Technical segment businesses	(0.07)	-	(0.13)	(0.28)	-
Net earnings(loss)	1.32	1.35	0.24	(0.28)	(0.27)
Dividends declared	0.50	0.44	0.44	0.44	0.33
Dividends paid	0.50	0.44	0.44	0.44	0.44
Book value	10.66	9.55	8.44	8.65	8.79
Balance Sheet Data					
Capital expenditures	\$ 122.7	\$ 104.6	\$ 95.8	\$ 88.6	\$ 74.7
Assets of continuing operations	2,360.5	2,093.7	1,957.6	1,872.4	1,760.9
Debt					
Short-term	\$ 6.1	\$ 8.2	\$ 11.9	\$ 16.0	\$ 6.3
Long-term	312.8	318.8	324.5	304.5	315.9
Total debt	318.9	327.0	336.4	320.5	322.2
Common shareholders' equity	1,043.1	910.7	804.4	822.5	778.7
Total capitalization	\$1,362.0	\$1,237.7	\$1,140.8	\$1,143.0	\$1,100.9
Other Data					
Return on beginning shareholders' equity	14.7 %	16.0 %	6.6 %	5.1 %	(4.2) %
Effective tax rate(benefit)	35.5 %	35.0 %	37.0 %	36.0 %	(13.6) %
Working capital ratio	1.9	1.7	1.6	1.7	1.5
Debt-to-capitalization rate	23.4 %	26.4 %	29.5 %	28.0 %	29.3 %

Common Stock Price(NYSE)

High	\$24	\$25 1/8	\$18 1/2	\$17 3/4	\$16 1/8
Low	16 3/8	17	12 1/2	12 1/4	8 3/4
Close	24	18 7/8	18	16 1/4	13 7/8

The Notes to Consolidated Financial Statements should be read in conjunction with the above summary.

Consent of Independent Public Accountants

As independent public accountants, we hereby consent to the incorporation of our report dated January 30, 1996, included in this Form 10-K, into the Company's previously filed registration statements on Form S-8 (File No. 33-4683), Form S-3 (File No. 33-61512), Form S-8 (File No. 33-55022), Form S-8 (File No. 33-56193), Form S-8 (File No. 33-61835) and Form S-8 (File No. 33-65217).

Arthur Andersen LLP

Chicago, Illinois,
March 22, 1996

Brunswick Corporation

Schedule II - Valuation and Qualifying Accounts

(in millions)	Balance at beginning of period	Charges to profit and loss	Write-offs	Recoveries	Other	Balance at end of period
Allowances for possible losses on receivables						
1995	\$ 19.5	\$ 5.7	(6.5)	0.4	(0.1)	\$ 19.0
1994	\$ 16.9	\$ 6.0	(4.3)	1.1	(0.2)	\$ 19.5
1993	\$ 15.6	\$ 2.1	(4.0)	1.1	2.1	\$ 16.9

* Includes \$2.4 million relating to acquisitions

This schedule reflects only the financial information of continuing operations.

Deferred tax asset valuation allowance

1995	\$ 3.2	\$ -	\$ -	\$ -	\$ -	\$ 3.2
1994	\$ 5.8	\$ -	\$ -	(2.6)	\$ -	\$ 3.2
1993	\$ 8.8	\$ -	\$ -	(3.0)	\$ -	\$ 5.8

This account reflects the adoption of SFAS No. 109, "Accounting for Income Taxes", which was adopted effective January 1, 1992. In 1993 and 1994 the Company utilized \$3.0 million and \$2.6 million respectively, of foreign tax credits from prior years. The utilization of these foreign tax credit carryforwards reduced income tax expense for the year.

This schedule reflects only the financial information of continuing operations.

Exhibit Index

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of the Company filed as Exhibit 19.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1987, and hereby incorporated by reference.
3.2	Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock.
3.3	By-Laws of the Company.
4.1	Indenture dated as of March 15, 1987, between the Company and Continental Illinois National Bank and Trust Company of Chicago filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1987, and hereby incorporated by reference.
4.2	Form of 8-1/8% Notes of the Company Due April 1, 1997, filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1987, and hereby incorporated by reference.
4.3	Officers' Certificate setting forth terms of the Company's \$125,000,000 principal amount 7-3/8% Debentures due September 1, 2023 filed as Exhibit 4.3 to the Company's Annual Report on Form 10-K for 1993, and hereby incorporated by reference.
4.4	The Company's Agreement to furnish additional debt instruments upon request by the Securities and Exchange Commission filed as Exhibit 4.10 to the Company's Annual Report on Form 10-K for 1980, and hereby incorporated by reference.
4.5	Rights Agreement dated as of February 5, 1996, between the Company and Harris Trust and Savings Bank filed as Exhibit 1 to the Company's Registration Statement for Preferred Share Purchase Rights on Form 8-A dated March 13, 1996, and hereby incorporated by reference.
10.1*	Third Amended and Restated Employment Agreement entered as of December 30, 1986, between the Company and Jack F. Reichert filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K for 1986 and hereby incorporated by reference.
10.2*	Amendment dated October 24, 1989, to Employment Agreement by and between the Company and Jack F. Reichert filed as Exhibit 19.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989 and hereby incorporated by reference.
10.3*	Supplemental Agreement to Employment Agreement dated December 30, 1986, by and between the Company and Jack F. Reichert filed as Exhibit 19.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989, and hereby incorporated by reference.
10.4*	Amendment dated February 12, 1991 to Employment Agreement by and between the Company and Jack F. Reichert filed as Exhibit 10.4 to the Company's Annual Report on Form 10-K for 1990 and hereby incorporated by reference.
10.5*	Amendment dated March 20, 1992 to Employment Agreement by and between the Company and Jack F. Reichert filed as Exhibit 10.5 to the Company's Annual Report on Form 10-K for 1992 and hereby incorporated by reference.

- 10.6* Amendment dated December 15, 1992 to Employment Agreement by and between the Company and Jack F. Reichert filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K for 1992 and hereby incorporated by reference.
- 10.7* Employment Agreement dated April 1, 1995 by and between the Company and Peter N. Larson filed as Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, and hereby incorporated by reference.
- 10.8* Employment Agreement dated December 1, 1995 by and between the Company and Peter B. Hamilton.
- 10.9* Form of Employment Agreement by and between the Company and each of W. J. Barrington, J. W. Dawson, T. K. Erwin, F. J. Florjancic, Jr., P. B. Hamilton, D. D. Jones, R. T. McNaney, R. S. O'Brien, J. A. Schenk, R. C. Steinway and K. B. Zeigler.
- 10.10* 1994 Stock Option Plan for Non-Employee Directors filed as Exhibit A to the Company's definitive Proxy Statement dated March 25, 1994 for the Annual Meeting of Stockholders on April 27, 1994 and hereby incorporated by reference.
- 10.11* 1995 Stock Plan for Non-Employee Directors filed as Exhibit B to the Company's definitive Proxy Statement dated March 19, 1996 for the Annual Meeting of Stockholders on April 24, 1996 and hereby incorporated by reference.
- 10.12* Supplemental Pension Plan filed as Exhibit 19.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1989, and hereby incorporated by reference.
- 10.13* Form of Insurance Policy issued for the life of each of the Company's officers, together with the specifications for each of these policies, filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K for 1980 and hereby incorporated by reference. The Company pays the premiums for these policies and will recover these premiums, with some exceptions, from the policy proceeds.
- 10.14* Insurance policy issued by The Prudential Insurance Company of America insuring all of the Company's officers and certain other senior management employees for medical expenses filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K for 1980 and hereby incorporated by reference.
- 10.15* Form of Indemnification Agreement by and between the Company and each of N. D. Archibald, M. J. Callahan, J. P. Diesel, P. Harf, G. D. Kennedy, B. K. Koken, J. W. Lorsch, B. M. Musham, R. N. Rasmus, K. Roman and R. W. Schipke filed as Exhibit 19.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1986, and hereby incorporated by reference.
- 10.16* Indemnification Agreement dated September 16, 1986, by and between the Company and J. F. Reichert filed as Exhibit 19.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1986, and hereby incorporated by reference.
- 10.17* Indemnification Agreement dated April 1, 1995 by and between the Company and P. N. Larson.
- 10.18* Form of Indemnification Agreement by and between the

Company and each of W. J. Barrington, J. W. Dawson, T. K. Erwin, F. J. Florjancic, Jr., P. B. Hamilton, D. D. Jones, R. T. McNaney, R. S. O'Brien, J. C. Olson, J. A. Schenk, R. C. Steinway, D. M. Yaconetti and K. B. Zeigler filed as Exhibit 19.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1986, and hereby incorporated by reference.

- 10.19* 1991 Stock Plan filed as Exhibit A to the Company's definitive Proxy Statement dated March 19, 1996 for the Annual Meeting of Stockholders on April 24, 1996 and hereby incorporated by reference.
- 10.20* Change In Control Severance Plan filed as Exhibit 10.22 to the Company's Annual Report on Form 10-K for 1989 and hereby incorporated by reference.
- 10.21* Brunswick Performance Plan for 1995 filed as Exhibit 10.20 to the Company's Annual Report on Form 10-K for 1993 and hereby incorporated by reference.
- 10.22* Brunswick Performance Plan for 1996.
- 10.23* Brunswick Strategic Incentive Plan for 1993-1995, 1994-1996 and 1995-1997 filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K for 1993 and hereby incorporated by reference.
- 10.24* Brunswick Strategic Incentive Plan for 1996-1997.
- 21.1 Subsidiaries of the Company.
- 24.1 Powers of Attorney.
- 27.1 Financial Data Schedule

*Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report on Form 10-K pursuant to Item 14(c) of this Report.

Exhibit 3.2

Certificate of Designation, Preferences and Rights
of Serier A Junion Participating Preferred Stock
of

Brunswick Corporation

Pursuant to Section 151 of the General Corporation Law
of the State of Delaware

We, Peter B. Hamilton, Senior Vice President and Chief Financial Officer, and Dianne M. Yaconetti, Corporate Secretary of Brunswick Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Section 103 thereof, Do Hereby Certify:

That pursuant to the authority conferred upon the Board of Directors by the Certificate of Incorporation, as amended, of the Corporation, the Board of Directors on February 5, 1996 adopted the following resolution creating a series of 150,000 shares of preferred stock designated as Series A Junior Participating Preferred Stock:

Resolved, that pursuant to the authority vested in the Board of Directors of the Corporation in accordance with the provisions of its Certificate of Incorporation, as amended, a series of preferred stock, par value \$0.75 per share, of the Corporation (such preferred stock being herein referred to as "Preferred Stock," which term shall include any additional shares of preferred stock of the same class heretofore or hereafter authorized to be issued by the Corporation), consisting of 150,000 shares is hereby created, and the voting powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, are as

follows:

Section 1. Designation and Amount. There shall be a series of Preferred Stock of the Corporation which shall be designated as "Series A Junior Participating Preferred Stock," par value \$0.75 per share (hereinafter called "Series A Junior Preferred Stock"), and the number of shares constituting such series shall be 150,000. Such number of shares may be increased or decreased by resolution of the Board of Directors and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction has been so authorized; provided, however, that no decrease shall reduce the number of shares of Series A Junior Preferred Stock to a number less than that of the shares then outstanding plus the number of shares of Series A Junior Preferred Stock issuable upon exercise of outstanding rights, options or warrants or upon conversion of outstanding securities issued by the Corporation.

Section 2. Dividends and Distributions.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Preferred Stock with respect to dividends, the holders of shares of Series A Junior Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for such purpose, quarterly dividends payable in cash to holders of record on the last business day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$1.00 and (b) subject to the provision for adjustment hereinafter set forth, 1000 times the aggregate per share amount of all cash dividends, and 1000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock (hereinafter defined) or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, par value \$0.75 per share, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Preferred Stock. If the Corporation shall at any time following February 5, 1996 (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying each such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Junior Preferred Stock as provided in paragraph (A) above at the time it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock).

(C) No dividend or distribution (other than a dividend payable in shares of Common Stock) shall be paid or payable to the holders of shares of Common Stock unless, prior thereto, all accrued but unpaid dividends to the date of such dividend or distribution shall have been paid to the holders of shares of Series A Junior Preferred Stock.

(D) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be

allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Junior Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each one one-thousandth of a share of Series A Junior Preferred Stock shall entitle the holder thereof to one vote on all matters submitted to a vote of the stockholders of the Corporation. If the Corporation shall at any time following February 5, 1996 (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) (i) Whenever, at any time or times, dividends payable on any share or shares of Series A Junior Preferred Stock shall be in arrears in an amount equal to at least six full quarterly dividends (whether or not declared and whether or not consecutive), the holders of record of the outstanding Preferred Stock shall have the exclusive right, voting separately as a single class, to elect a total of two directors of the Corporation. Such two directors shall be elected initially at a special meeting of stockholders of the Corporation or at the Corporation's next annual meeting of stockholders, and subsequently at each annual meeting of stockholders, as provided below. The term of office of the two directors so elected shall end on the date of the annual meeting following such election. At elections for such directors, the holders of shares of Series A Junior Preferred Stock shall be entitled to cast one vote for each one one-thousandth of a share of Series A Junior Preferred Stock held.

(ii) Upon the vesting of such right of the holders of the Preferred Stock, the maximum authorized number of members of the Board of Directors shall automatically be increased by two and the two vacancies so created shall be filled by vote of the holders of the outstanding Preferred Stock as hereinafter set forth. A special meeting of the stockholders of the Corporation then entitled to vote shall be called by the Chairman or the President or the Secretary of the Corporation, if requested in writing by the holders of record of not less than 10% of the Preferred Stock then outstanding. At such special meeting, or, if no such special meeting shall have been called, then at the next annual meeting of stockholders of the Corporation, the holders of the shares of the Preferred Stock shall elect, voting as above provided, two directors of the Corporation to fill the aforesaid vacancies created by the automatic increase in the number of members of the Board of Directors. The term of office of the two directors so elected shall end on the date of the annual meeting following such election. At any and all such meetings for such election, the holders of a majority of the outstanding shares of the Preferred Stock shall be necessary to constitute a quorum for such election, whether present in person or by proxy, and such two directors shall be elected by the vote of at least a plurality of shares held by such stockholders present or represented at the meeting. Any director elected by holders of shares of the Preferred Stock pursuant to this Section may be removed at any annual or special meeting, by vote of a majority of the stockholders voting as a class who elected such director, with or without cause. In case any vacancy shall occur among the directors elected by the holders of the Preferred Stock pursuant to this Section, such vacancy may be filled by the remaining director so elected, or his successor then in office, and the director so elected to fill such vacancy shall serve until the next meeting of stockholders for the election of directors. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be further increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Junior

Preferred Stock.

(iii) The right of the holders of the Preferred Stock, voting separately as a class, to elect two members of the Board of Directors of the Corporation as aforesaid shall continue until, and only until, such time as all arrears in dividends (whether or not declared) on the Preferred Stock shall have been paid or declared and set apart for payment, at which time such right shall terminate, except as herein or by law expressly provided, subject to vesting in the event of each and every subsequent default of the character above-mentioned. Upon any termination of the right of the holders of the shares of the Preferred Stock as a class to vote for directors as herein provided, the term of office of all directors then in office elected by the holders of Preferred Stock pursuant to this Section shall terminate immediately. Whenever the term of office of the directors elected by the holders of the Preferred Stock pursuant to this Section shall terminate and the special voting powers vested in the holders of the Preferred Stock pursuant to this Section shall have expired, the maximum number of members of the Board of Directors of the Corporation shall be such number as may be provided for in the By-laws of the Corporation irrespective of any increase made pursuant to the provisions of this Section.

(D) Except as set forth herein, holders of Series A Junior Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Preferred Stock, except dividends paid ratably on the Series A Junior Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Junior Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Junior Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Winding Up. (A) Upon any voluntary

liquidation, dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Preferred Stock shall have received \$.01 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Preferred Stock unless, prior thereto, the holders of shares, of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 1000 (as appropriately adjusted as set forth in subparagraph C below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number").

Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Junior Preferred Stock and Common Stock, respectively, holders of Series A Junior Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio, on a per share basis, of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(B) If, however, there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of Preferred Stock, if any, which rank on a parity with the Series A Junior Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences.

(C) If the Corporation shall at any time following February 5, 1996 (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. If the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 1000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. If the Corporation shall at any time (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. Redemption. The shares of Series A Junior Preferred Stock shall not be redeemable by the Corporation. The preceding sentence shall not limit the ability of the Corporation to purchase or otherwise deal in such shares of stock to the extent permitted by law.

Section 9. Ranking. The Series A Junior Preferred Stock shall rank junior to all other series of the Corporation's preferred stock (whether with or without par value) as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Amendment. The Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Junior Preferred Stock,

voting separately as a class.

Section 11. Fractional Shares. Series A Junior Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Preferred Stock.

In witness whereof, Brunswick Corporation has caused its corporate seal to be hereunto affixed and this Certificate to be signed by Peter B. Hamilton, Senior Vice President and Chief Financial Officer, and Dianne M. Yaconetti, Corporate Secretary, this 9th day of February, 1996.

Brunswick Corporation

By: / s/Peter B. Hamilton
Name: Peter B. Hamilton
Title: Senior Vice President and
Chief Financial Officer

(Seal)

Attest:

By: /s/ Dianne M. Yaconetti
Name: Dianne M. Yaconetti
Title: Corporate Secretary

Exhibit 3.3
Brunswick Corporation

By-Laws

Article I

Offices

Section 1. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. The corporation may also have offices in the City of Lake Forest, State of Illinois, and at such other places as the board of directors may from time to time determine or the business of the corporation may require.

Article II

Meetings of Stockholders

Section 1. Meetings of stockholders may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. An annual meeting of stockholders shall be held at such time and on such day in the month of April or in such other month as the board of directors may specify by resolution. At the annual meeting the stockholders shall elect by a plurality vote of those stockholders voting at the meeting, by ballot, a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Written notice of the annual meeting stating the place, date and hour of meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

Section 4. At least ten days before every election of directors, a complete list of the stockholders entitled to vote at said election arranged in

alphabetical order, shall be prepared or caused to be prepared by the secretary. Such list shall be open at the place where the election is to be held for said ten days, to the examination of any stockholder, and shall be produced and kept at the time and place of election during the whole time thereof, and subject to the inspection of any stockholder who may be present.

Section 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the chairman of the board and shall be called by the president or secretary at the request in writing of a majority of the board of directors. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of a special meeting of stockholders stating the place, date and hour of meeting, and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 8. The holders of a majority of the shares of the capital stock of the corporation, issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation or by these by-laws. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 9. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation or of these by-laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 10. At any meeting of the stockholders every stockholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such stockholder and bearing a date not more than three years prior to said meeting, unless said instrument provides for a longer period. Each stockholder shall have one vote for each share of stock having voting power, registered in his name on the books of the corporation. Except where the transfer books of the corporation shall have been closed or a date shall have been fixed as a record date for the determination of its stockholders entitled to vote, no share of stock shall be voted on at any election for directors which shall have been transferred on the books of the corporation within twenty days next proceeding such election of directors.

Article III

Directors

Section 1. The number of directors shall be thirteen but the number of directors may, from time to time, be altered by amendment of these by-laws in accordance with the certificate of incorporation.

Section 2. Subject to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, nominations for the election of directors may be made by the board of directors or a committee appointed by the board of directors or by any stockholder entitled to vote in the election of directors generally. However, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at a meeting only if written notice of such stockholder's intent to make such nomination or

nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the secretary of the corporation not later than (a) with respect to an election to be held at an annual meeting of stockholders, ninety days prior to the anniversary date of the immediately preceding annual meeting, and (b) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the tenth day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (i) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (ii) a representation that the stockholder is the holder of record of stock of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (iii) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (iv) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission; and (v) the consent of each nominee to serve as a director of the corporation if so elected. The presiding officer of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

Section 3. The property and business of the corporation shall be managed by its board of directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

Meetings of the Board of Directors

Section 4. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 5. The first meeting of each newly elected board shall be held immediately after, and at the same place as, the annual meeting of stockholders at which such board shall have been elected, for the purpose of electing officers, and for the consideration of any other business that may properly be brought before the meeting. No notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present.

Section 6. Regular meetings of the board of directors shall be held on such dates, not less often than once each calendar quarter, as may be fixed from time to time by resolution of the board of directors. No notice need be given of such meetings, provided that notice of such resolution has been furnished to each director. Such meetings shall be held at the Lake Forest office of the corporation or at such other place as is stated in the notice of the meeting. Upon the assent, given either verbally or in writing, of a majority of the whole board, any regular meeting may be cancelled, the time changed, or may be held at such other place and time, as a majority of the whole board may designate, either verbally or in writing, upon reasonable notice given to each director, either personally or by mail or by telegram.

Section 7. Special meetings of the board of directors may be called by the chairman of the board, or by the secretary on the written request of two directors, to be held either at the Lake Forest office of the corporation or at such other place as may be convenient and may be designated by the officer calling the meeting. Reasonable notice of such special meeting shall be given to each director, either personally or by mail or telegram; provided, that a majority of the whole board of directors present at a meeting called by any of said officers, in matters requiring prompt attention by the board, may hold a valid meeting and transact business without the giving of notice to each director as above provided.

Section 8. At all meetings of the board the presence of a majority of the whole board shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation or by these by-laws. If a quorum shall not be

present at any meeting of the board of directors the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Executive Committee

Section 9. (a) The board of directors of the corporation at the annual or any regular or special meeting may, by resolution adopted by a majority of the whole board, designate three or more directors, one of whom shall be either the chairman of the board or the president of the corporation, to constitute an executive committee. Vacancies in the executive committee may be filled at any meeting of the board of directors. Each member of the executive committee shall hold office until his successor shall have been duly elected, or until his death, or until he shall resign or shall have been removed from office or shall cease to be a director. Any member of the executive committee may be removed by resolution adopted by a majority of the whole board of directors whenever in its judgment the best interests of the corporation would be served thereby. The compensation, if any, of members of the executive committee shall be established by resolution of the board of directors.

(b) The executive committee shall have and may exercise all of the authority of the board of directors in the management of the corporation, provided such committee shall not have the authority of the board of directors in reference to amending the certificate of incorporation, adopting a plan of merger or consolidation with another corporation or corporations, recommending to the stockholders the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the property and assets of the corporation if not made in the usual and regular course of its business, recommending to the stockholders a voluntary dissolution of the corporation or a revocation thereof, amending, altering or repealing the by-laws of the corporation, electing or removing officers of the corporation or members of the executive committee, fixing the compensation of officers, directors, or any member of the executive committee, declaring dividends, amending, altering or repealing any resolution of the board of directors which by its terms provides that it shall not be amended, altered or repealed by the executive committee, the acquisition or sale of companies, businesses or fixed assets where the fair market value thereof or the consideration therefor exceeds \$10,000,000, authorizing the issuance of any shares of the corporation, or authorizing the creation of any indebtedness for borrowed funds, in excess of \$2,000,000.

(c) The executive committee shall have power to authorize the seal of the corporation to be affixed to all papers which may require it. Minutes of all meetings of the executive committee shall be submitted to the board of directors of the corporation at each meeting following a meeting of the executive committee. The minute books of the executive committee shall at all times be open to the inspection of any director.

(d) The executive committee shall meet at the call of the chairman of the executive committee, chairman of the board, the president, or any two members of the executive committee. Three members of the executive committee shall constitute a quorum for the transaction of business and the act of a majority of those present shall constitute the act of the committee.

Audit Committee

Section 10. (a) The board of directors of the corporation at the annual or any regular or special meeting shall, by resolution adopted by a majority of the whole board, designate three or more independent directors to constitute an audit committee and appoint one of the directors so designated as the chairman of the audit committee. Membership on the audit committee shall be restricted to those directors who are independent of the management of the corporation and are free from any relationship that, in the opinion of the corporation's board of directors, would interfere with the exercise of independent judgment as a member of the committee. Vacancies in the committee may be filled at any meeting of the board of directors. Each member of the committee shall hold office until his successor shall have been duly elected, or until his death, or until he shall resign or shall have been removed from the audit committee by the board or shall cease to be a director. Any member of the audit committee may be removed from the committee by resolution adopted by a majority of the whole board of directors whenever in its judgment (1) such person is no longer an independent director or free from any relationship with the corporation or any of its officers prohibited by this section, or (2) the best interests of the corporation would be served thereby. The compensation, if any, of members of the committee shall be established by

resolution of the board of directors.

(b) The audit committee shall be responsible for recommending to the board of directors the appointment or discharge of independent auditors, reviewing with management and the independent auditors the terms of engagement of independent auditors, including the fees, scope and timing of the audit and any other services rendered by such independent auditors; reviewing with independent auditors and management the corporation's policies and procedures with respect to internal auditing, accounting and financial controls, and dissemination of financial information; reviewing with management, the independent auditors and the internal auditors, the corporation's financial statements, audit results and reports and the recommendations made by the auditors with respect to changes in accounting procedures and internal controls; reviewing the results of studies of the corporation's system of internal accounting controls; and performing any other duties or functions deemed appropriate by the board of directors. The committee shall have such powers and rights as may be necessary or desirable to fulfill these responsibilities including, the power and right to consult with legal counsel and to rely upon the opinion of such legal counsel. The audit committee is authorized to communicate directly with the corporation's financial officers and employees, internal auditors and independent auditors on such matters as it deems desirable and to have the internal auditors and independent auditors perform such additional procedures as it deems appropriate. The audit committee shall periodically report to the board of directors on its activities.

(c) Minutes of all meetings of the audit committee shall be submitted to the board of directors of the corporation. The minute books of the committee shall at all times be open to the inspection of any director.

(d) The audit committee shall meet at the call of its chairman or any two members of the committee. Two members of the audit committee shall constitute a quorum for the transaction of business and the act of a majority of those present, but no less than two members, shall constitute the act of the committee.

Compensation Committee

Section 11. (a) The board of directors of the corporation at the annual or any regular or special meeting shall, by resolution adopted by a majority of the whole board, designate three or more directors to constitute a compensation committee and appoint one of the directors so designated as the chairman of the compensation committee. Membership on the compensation committee shall be restricted to disinterested persons which for this purpose shall mean any director, who, during the time he is a member of the compensation committee is not eligible, and has not at any time within one year prior thereto been eligible, for selection to participate in any of the compensation plans administered by the compensation committee, except for the 1988 Stock Plan for Non-Employee Directors. Vacancies in the committee may be filled at any meeting of the board of directors. Each member of the committee shall hold office until his successor shall have been duly elected, or until his death or resignation, or until he shall have been removed from the committee by the board of directors, or until he shall cease to be a director or a disinterested person. Any member of the compensation committee may be removed by resolution adopted by a majority of the whole board of directors whenever in its judgment the best interests of the corporation would be served thereby. A majority of the compensation committee shall constitute a quorum and an act of the majority of the members present at any meeting at which a quorum is present, or an act approved in writing by each of the members of the committee without a meeting, shall be the act of the compensation committee. The compensation, if any, of members of the committee shall be established by resolution of the board of directors.

(b) The compensation committee shall administer the CEO Incentive Plan, Brunswick Performance Plan, Strategic Incentive Plan, 1971 Stock Option Plan, 1984 Restricted Stock Plan, 1988 Stock Plan for Non-Employee Directors, 1991 Stock Plan, and Supplemental Pension Plan. The compensation committee shall have the power and authority vested in it by any plan of the corporation which the committee administers. The compensation committee shall from time to time recommend to the board of directors the compensation of the officers of the corporation except for assistant officers whose compensation shall be fixed by the officers of the corporation. The compensation committee shall also make recommendations to the board of directors with regard to the compensation of the board of directors and its committees except the compensation committee.

Corporate Governance Committee

Section 12. (a) The board of directors of the corporation at the annual or any regular or special meeting shall, by resolution adopted by a majority of the whole board, designate three or more directors to constitute a corporate governance committee of the board of directors and appoint one of the directors so designated as its chairman. Members on the corporate governance committee of the board of directors shall be restricted to disinterested persons which for this purpose shall mean any director who, during the time the director is a member of the corporate governance committee of the board of directors, is neither an officer or employee of the corporation. Vacancies in the committee may be filled at any meeting of the board of directors. Each member of the committee shall hold office until his successor shall have been duly elected, or until his death or resignation, or until he shall have been removed from the committee by the board of directors, or until he shall cease to be a director. Any member of the corporate governance committee of the board of directors may be removed by resolution of the whole board of directors whenever in its judgment the best interests of the corporation would be served thereby. A majority of the corporate governance committee of the board of directors shall constitute a quorum and an act of the majority of the members present at any meeting at which a quorum is present, or an act approved in writing by each of the members of the committee without a meeting, shall be the act of the corporate governance committee. The compensation, if any, of members of the committee shall be established by resolution of the board of directors.

(b) The corporate governance committee of the board of directors shall be responsible for all matters of corporate governance and director affairs including, but not limited to:

(i) considering and making recommendations to the board with regard to changes in the size of the board;

(ii) developing and maintaining appropriate criteria for the composition of the board of directors and its nominees;

(iii) overseeing the selection of and making recommendations to the board regarding nominees for election as directors to be submitted to the stockholders and nominees to fill vacancies on the board of directors as they occur;

(iv) coordinating an annual evaluation by the board, with input from senior management, of the structure of the board and its committees and the processes employed in their deliberations; and

(v) periodically evaluating the performance of members of the board.

(c) Nothing in this by-law is intended to prevent any individual director from making a recommendation of a person to be a director of the corporation either to the corporate governance committee or to the board.

Other Committees

Section 13. The board of directors may from time to time create and appoint such committees in addition to the executive, audit, compensation and nominating committees as it deems desirable. Each additional committee shall bear such designation, shall have such powers and shall perform such duties, not inconsistent with these by-laws or with law, as may be assigned to it by the board of directors; provided that no such additional committee may exercise the powers of the board of directors in the management of the business and affairs of the corporation except such as shall be expressly delegated to it. The board of directors shall have the power to change the members of any such additional committee at any time, to fill vacancies, and to discharge any such additional committee at any time. The compensation, if any, of members of any such committee shall be established by resolution of the board of directors.

Compensation of Directors

Section 14. Directors shall receive such fees and reimbursement of reasonable expenses as may be fixed from time to time by resolution of the board. Members of special or standing committees shall also be allowed such fees and reimbursements for reasonable expenses in connection with service on

such committees as may from time to time be fixed by resolution of the board. Such fees may be fixed on the basis of meetings attended or on an annual basis or both and may be payable currently or deferred.

Action by Written Consent

Section 15. Any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the board or committee.

Action by Telephone or Other Communications Equipment

Section 16. Directors may participate in a meeting of the board or any committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

Alternate Committee Members

Section 17. The board of directors may designate one or more directors as alternate members of any committee, any of whom may be selected by the chairman of a committee to replace any absent or disqualified member at any meeting of a committee. In the absence or disqualification of a member of a committee and of the alternate members of such committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitutes a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Article IV

Notices

Section 1. Except as may be otherwise provided for in these by-laws, whenever under the provisions of the statutes or of the certificate of incorporation or of these by-laws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder at such address as appears on the books of the corporation, and such notice shall be deemed to be given at the time when the same shall be mailed. Notice to directors may also be given by telegram or telex.

Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation, or of these by-laws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Article V

Officers

Section 1. The officers of the corporation shall be elected by the board of directors and shall be a chairman of the board, a president, one or more vice presidents, a secretary, a treasurer and a general counsel. The board of directors may also elect a senior vice president, an executive vice president, a controller and one or more assistant vice presidents, assistant secretaries, assistant treasurers and assistant general counsels. Two or more offices may be held by the same person, except as where the offices of president and secretary are held by the same person, such person shall not hold any other office.

Section 2. The board of directors at its first meeting after each annual meeting of stockholders shall elect a chairman of the board from among the directors, and shall elect a president, one or more vice presidents, a secretary and a treasurer, none of whom need be a member of the board.

Section 3. The board of directors may elect such other officers as

it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The board of directors shall fix the salaries of all officers of the corporation, except that the salaries of the assistant vice presidents, assistant secretaries, and assistant treasurers may be fixed by the chairman of the board or the president of the corporation.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the whole board of directors. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise shall be filled by the board of directors.

The Chairman of the Board

Section 6. The chairman of the board shall be an officer of the corporation and shall preside at all meetings of the stockholders and the board of directors and shall perform such other duties as appertain to the office of the chairman of the board and as may be assigned to him from time to time by the board of directors.

The President

Section 7. The president shall be the chief executive officer of the corporation and, subject to the board of directors and the executive committee, shall be in general charge of the affairs of the corporation and shall possess such powers and perform such duties as usually appertain to the chief executive officer in business corporations. In the absence of the chairman of the board, he shall preside at all meetings of the stockholders and the board of directors and shall perform such other duties as may from time to time be assigned to him by the board of directors. He shall see that all orders and resolutions of the board of directors and the executive committee are carried into effect.

The Executive Vice President

Section 8. The executive vice president shall exercise such supervision over the business and affairs of the corporation as shall be prescribed from time to time by the board of directors or by the president. In the absence or disability of the president, and unless otherwise determined by the board of directors, the executive vice president shall perform the duties and exercise the powers of the president.

The Vice Presidents

Section 9. The vice presidents shall perform such duties and have such powers as the board of directors may from time to time prescribe.

The Secretary and Assistant Secretaries

Section 10. The secretary shall attend all meetings of the board of directors, the executive committee, and all meetings of the stockholders, and shall record all of the proceedings of said meetings in books to be kept for that purpose, and shall perform like duties for the standing committees when required. The secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or the chairman of the board, under whose supervision the secretary shall be. The secretary may sign with the president or a vice president, in the name of the corporation, all contracts and instruments of conveyance authorized by the board of directors, and the secretary shall keep in safe custody the seal of the corporation and, when authorized by the board of directors, affix the same to any instrument requiring it and, when so affixed, it shall be attested by the signature of the secretary or an assistant secretary, and the secretary shall in general perform all the duties incident to the office of secretary. The secretary shall have charge of the stock certificate books, transfer books and stock ledgers; provided, however, that the secretary may employ corporate transfer agents and registrars whom the secretary reasonably believes to be financially responsible

and competent in the performance of their duties to maintain such stock certificate books, transfer books and stock ledgers and such other books and paper as may be appropriate and all of such records may be kept either in the form of writings, punch cards, magnetic tape, photographs, micro-photographs or any other information storage device as appropriate, so long as the form of such records is designed to allow reasonably prompt and appropriate access thereto and retrieval of information in clearly legible form therefrom.

Section 11. An assistant secretary shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary. The assistant secretaries shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

The Treasurer and Assistant Treasurers

Section 12. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors. The board of directors, in its discretion, may delegate its responsibilities regarding the designation of depositories contained in this section to any officer or officers of the corporation. The treasurer shall in general perform all the duties incident to the office of the treasurer.

Section 13. He shall be responsible for the disbursement of the funds of the corporation and shall take proper vouchers for such disbursements, and upon the request of the president or the board of directors, shall render an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 14. If required by the board of directors, he shall give the corporation a bond, which shall be renewed regularly, in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 15. The assistant treasurers, unless otherwise determined by the board of directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

The Controller

Section 16. The controller shall maintain adequate records of all assets, liabilities, and other financial transactions of the corporation and, in general, shall perform all the duties ordinarily connected with the office of controller and such other duties as, from time to time, may be assigned to him by the board of directors or the president.

The General Counsel and Assistant General Counsels

Section 17. The general counsel shall be in charge of the law department and patent functions, shall supervise all legal matters affecting the corporation and render all necessary advice in connection therewith and shall give such legal advice as may be appropriate to the directors, officers and employees of the corporation. He may retain such law firms and other legal counsel who are not employees of the corporation as he considers desirable for the purpose of effectively carrying out his duties as general counsel.

Section 18. The assistant general counsels shall perform such duties and have such powers as the board of directors may from time to time prescribe.

Article VI

Indemnification of Directors and Officers

Section 1. The corporation may indemnify to the fullest extent that is lawful, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, taxes, penalties and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding.

Section 2. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not he would be entitled to indemnity against the same liability under the provisions of this article.

Section 3. The corporation may enter into an indemnity agreement with any director, officer, employee or agent of the corporation, upon terms and conditions that the board of directors deems appropriate, as long as the provisions of the agreement are not inconsistent with this article.

Article VII

Certificates of Stock

Section 1. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the chairman of the board, the president or a vice president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation. If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, designations, preferences and relative, participating, optional and other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions or such preferences and rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock; provided, however, that, to the full extent allowed by law, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and rights.

Section 2. If such certificate is countersigned (1) by a transfer agent, or (2) by a registrar, any other signature on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Lost Certificates

Section 3. The board of directors may authorize the transfer agents and registrars of the corporation to issue and register, respectively, new certificates in place of any certificates alleged to have been lost, stolen or destroyed, and in its discretion and as a condition precedent to the issuance thereof, may prescribe such terms and conditions as it deems expedient, and may require such indemnities as it deems necessary to protect the corporation and said transfer agents and registrars.

Transfers of Stock

Section 4. Upon surrender to the corporation or the transfer agent of the

corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Fixing Record Date

Section 5. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Registered Stockholders

Section 6. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the party of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Article VIII

General Provisions

Dividends

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 3. The board of directors shall present at each annual meeting and when called for by vote of the stockholders at any special meeting of the stockholders, a full and clear statement of the business and condition of the corporation.

Checks

Section 4. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate. The board of directors, in its discretion, may delegate its responsibilities contained in this section to any officer or officers of the corporation.

Fiscal Year

Section 5. The fiscal year of the corporation shall begin on the first day of January, and terminate on the thirty-first day of December, in each year.

Seal

Section 6. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Incorporated Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Article IX

Tennessee Authorized Corporation Protection Act

Section 1. This corporation shall be subject to Section 24(a) of Chapter 30 of the Tennessee Business Corporation Act.

Article X

Amendments

Section 1. The holders of shares of capital stock of the corporation entitled at the time to vote for the election of directors shall have the power to adopt, alter, amend, or repeal the by-laws of the corporation by vote of such percentage of such shares as is required by the Certificate of Incorporation, or if no percentage is specified by the Certificate of Incorporation, by vote of not less than 66-2/3% of such shares. The board of directors shall also have the power to adopt, alter, amend or repeal the by-laws of the corporation by vote of such percentage of the entire board as is required by the Certificate of Incorporation, or if no percentage is specified by the Certificate of Incorporation, by vote of not less than a majority of the entire board.

Exhibit 10.8

Employment Agreement

This Agreement, made and entered into as of December 1, 1995, by and between Brunswick Corporation, a Delaware corporation (the "Company"), and Peter B. Hamilton (the "Executive");

Witnesseth That:

Whereas, the parties hereto desire to enter into this Agreement pertaining to the employment of the Executive by the Company beginning on the Effective Date (as described below);

Now, therefore, in consideration of the mutual covenants set forth below, it is hereby covenanted and agreed by the Executive and the Company as follows:

1. Performance of Services. The Executive's employment with the Company shall be subject to the following:

- (a) Subject to the terms of this Agreement, the Company hereby agrees to employ the Executive as a Senior Vice President and Chief Financial Officer during the Agreement Term (as defined below), and the Executive hereby agrees to remain in the employ of the Company during the Agreement Term.
- (b) During the Agreement Term, while the Executive is employed by the Company, the Executive shall devote his best efforts and full business time exclusively to the business affairs of the Company and the Affiliates (as defined below) and shall perform his duties faithfully and efficiently, subject to the direction of the Chief Executive Officer of the Company. The Executive, however, may engage in charitable, civic or other similar pursuits and, subject to the approval of the Company's Chief Executive Officer, may become a director of other corporations, to the extent that such activities do not interfere with his devoting his best efforts to his duties to the Company. As soon as practicable after the Effective Date, the Executive shall be elected as a member of the Company's Operating Committee.
- (c) For purposes of this Agreement, the term "Affiliate" means (i) any

corporation, partnership, joint venture or other entity during any period in which it owns, directly or indirectly, at least fifty percent of the voting power of all classes of stock of the Company (or successor to the Company) entitled to vote; and (ii) any corporation, partnership, joint venture or other entity during any period in which at least a thirty percent voting or profits interest is owned, directly or indirectly, by the Company, by any entity that is a successor to the Company, or by any entity that is an Affiliate by reason of clause (i) next above.

- (d) The "Agreement Term" shall be the period beginning on the Effective Date and ending on December 31, 1998. The "Effective Date" of this Agreement shall be December 1, 1995.
- (e) In connection with the Executive's employment by the Company, the Executive shall be based at the principal executive offices of the Company, except for travel determined by the Company's Chief Executive Officer to be necessary or appropriate.

2. Compensation. In consideration of the services rendered by the Executive to the Company, in consideration of the Executive's agreement to remain in the employ of the Company during the Agreement Term, and subject to the terms of this Agreement, the Company shall compensate the Executive during the Agreement Term, while the Executive is employed by the Company, as follows:

- (a) One-Time Payments. To compensate the Executive for the forfeiture of compensation and other employment benefits resulting from his resignation from Cummins Engine Company, Inc. (the "Predecessor Employer"), the Company shall provide to the Executive the following one-time payments:

- (i) The Executive shall receive an award of 20,000 shares of common stock of the Company ("Company Stock"). Shares awarded under this paragraph (i) shall be fully vested on the Effective Date.
- (ii) The Executive shall receive a cash payment of \$40,000.
- (iii) The Executive shall receive a non-qualified stock option award to purchase 50,000 shares of Company Stock, subject to the applicable provisions of paragraph 2(e).

The one-time payments shall be made as soon as practicable after the Effective Date (but in no event prior to January, 1996). If the Executive so elects, the Executive shall pay an amount in cash to the Company to satisfy any withholding taxes with respect to the one-time stock award described in paragraph 2(a)(i).

- (b) Salary. The Executive's annual base salary rate shall initially be \$350,000, and thereafter shall not be reduced below the annual rate of \$350,000 (except for across-the-board uniform salary reductions affecting all senior executives of the Company). The salary shall be payable monthly or more frequently in accordance with Company practice. The Executive's performance and salary shall be reviewed annually by the Chief Executive Officer.
- (c) Annual Bonus. The Executive shall participate in an annual bonus program. The bonus program shall provide for a maximum bonus amount of 100% of the Executive's annual salary. The terms of the bonus program shall be established by the Board of Directors of the Company (the "Board") or the Chief Executive Officer of the Company; provided that the bonus may be distributed in cash, in fully-vested shares of Company Stock, or in a combination of both, as determined by the Chief Executive Officer or the Board. The value of Company Stock distributed as a bonus in accordance with this paragraph (c) shall be determined as of the last business day prior to the date on which the amount of the bonus is determined by the Board.
- (d) Strategic Incentive Plan. The Executive shall be entitled to participate in the Company's Strategic Incentive Plan for performance periods beginning after December 31, 1995. The maximum value of the award for any two-year performance period shall be 100% of the Executive's annual salary. For purposes of this paragraph (d), the Executive's annual salary for any two-year performance period shall be one times his annual base salary rate in effect at the beginning of the two-year performance period, without regard to any changes in salary rate during the performance period. The awards under the Company's Strategic Incentive Plan will be denominated in stock units, with the value of the award based on price of a share of Company

Stock at the beginning of the performance period. Shares of Company Stock awarded for any two-year performance period shall be transferred as soon as practicable after the end of the performance period, and shall be fully vested upon transfer. Any shares of Company Stock awarded to the Executive under this Agreement may be subject to such stock ownership guidelines as are in effect for senior management of the Company from time to time.

- (e) Stock Options. In addition to the stock option granted pursuant to paragraph 2(a)(iii), the Executive shall receive a non-qualified stock option award to purchase 50,000 shares of Company Stock. Such grant shall be made on or as soon as practicable after January 1, 1996. The options awarded under paragraph 2(a)(iii) and this paragraph (e) shall be subject to terms comparable to those included in stock options awarded under the Brunswick Corporation 1991 Stock Plan (the "1991 Plan") to other officers of the Company. The purchase price per share for the option awarded under paragraph 2(a)(iii) and this paragraph (e) shall be the fair market value of a share of Company Stock at the date of grant. For purposes of this Agreement, the "fair market value" of a share of Company Stock for any date shall be the closing market composite price for the Company Stock (as reported for the New York Stock Exchange - Composite Transactions). Exercisability of the stock options awarded under paragraph 2(a)(iii) and this paragraph (e) shall be subject to the following:
- (i) If the Executive is employed by the Company from the Effective Date until December 31, 1998, the options shall become exercisable on December 31, 1998.
- (ii) If the Executive's employment with the Company terminates prior to December 31, 1998 for reasons of death or Disability (as defined in paragraph 3(d)), the options shall become (or remain) exercisable until the earlier of (A) the expiration date of the option or (B) two years following termination of the Executive's employment.
- (iii) If the Executive's employment with the Company is terminated by the Company prior to December 31, 1998 under circumstances described in paragraph 3(f) (relating to termination by the Company without Cause), or if the Executive resigns for Good Reason (as defined in paragraph 3(e)), then the options shall become (or remain) exercisable until the earlier of (A) the expiration date of the option or (B) five years following termination of the Executive's employment.
- (f) Supplemental Pension. If the Executive is employed through the end of the Agreement Term, or if his Date of Termination occurs (i) prior to the end of the Agreement Term by reason of his death or Disability, (ii) under circumstances described in paragraph 3(f) (relating to termination by the Company without Cause), or (iii) by reason of his resignation for Good Reason, he shall be entitled to receive benefits under the Brunswick Supplemental Pension Plan (the "Supplemental Plan") or, in the discretion of the Company, under another non-qualified plan maintained by the Company, in an amount which, when added to the benefits otherwise payable to or on behalf of the Executive under the Supplemental Plan and the Brunswick Pension Plan for Salaried Employees, will provide the Executive with the benefits that would have been payable to or on behalf of the Executive under the Supplemental Plan and the Brunswick Pension Plan for Salaried Employees if he had, in addition to his actual years of service, completed an additional 12.5 years of service with the Company for all purposes under both of such plans. If the Executive is credited with the additional years of service in accordance with this paragraph (f), the monthly benefit payable under this paragraph (f) in the form of a single life annuity for the life of the Executive commencing at his age 65 shall be reduced (but not below zero) by the monthly amount of the benefit payable to the Executive under the Retirement Plan and the Excess Benefit Retirement Plan of the Predecessor Employer, based on its being paid in the form of a single life annuity for the life of the Executive commencing at his age 65. If the pension benefits are payable to the Executive pursuant to this paragraph (f) are paid in a form other than a single life annuity for the life of the Executive commencing at his age 65, then such benefits shall be actuarially equivalent to the value of the benefit determined in accordance with the foregoing provisions of this paragraph (f), with the actuarial equivalency determined using the actuarial assumptions in effect under the Brunswick Pension Plan for Salaried Employees as of the date of commencement of such benefit payments.

- (g) Retiree Medical Benefits. If the Executive is employed through the end of the Agreement Term, or if his Date of Termination occurs (i) prior to the end of the Agreement Term by reason of his death or Disability, (ii) under circumstances described in paragraph 3(f) (relating to termination by the Company without Cause), or (iii) by reason of his resignation for Good Reason, he shall be entitled to retiree medical benefit coverage to the same extent as other executives leaving the employ of the Company at the time of the Executive's Date of Termination, determined as though the Executive had, in addition to his actual years of service, completed an additional 12.5 years of service with the Company. If the Executive's Date of Termination occurs for any other reason, his entitlement to retiree medical coverage shall be determined based on his actual years of service with the Company.
- (h) Disability. The Executive shall receive from the Company disability income replacement coverage which will provide for replacement of income at a commercially reasonable rate during any period in which the Executive is Disabled (as defined in paragraph 3(d)) if the Disability arose during the Agreement Term and prior to the Executive's Date of Termination. During any period while the Executive is Disabled, and is otherwise entitled to receive Salary under this Agreement, any Salary payments to the Executive shall be reduced by the amount of any benefits paid for the same period of time under the Company's disability income replacement coverage.
- (i) Vacation. The Executive shall be entitled to paid vacations in accordance with the applicable policy of the Company as in effect from time to time, but in no event shall the Executive be entitled to less than four weeks paid vacation per year. The Executive's level of eligibility for vacation shall be determined as though the Executive had, in addition to his actual years of service completed an additional 12.5 years of service with the Company.
- (j) Benefits. The Executive shall be a participant in any and all plans maintained by the Company from time to time to provide benefits for its senior executives, and for its salaried employees generally, including, without limitation, any pension, profit sharing, employee stock ownership or retirement plan, any life, accident, medical, hospital or similar group insurance program, and any plans or arrangements providing tax planning or financial planning. However, the Company shall not be required to provide a benefit under this paragraph (j) if such benefit would duplicate (or otherwise be of the same type as) a benefit specifically required to be provided under another provision of this Agreement.
- (k) Perquisites. The Executive shall be entitled to all perquisites generally provided by the Company to its senior executives. However, the Company shall not be required to provide perquisites under this paragraph (k) if such perquisites would duplicate (or otherwise be of the same type as) a perquisite specifically required to be provided under another provision of this Agreement.
- (l) Expenses. The Executive shall be reimbursed for all reasonable expenses incurred in performing his obligations under this Agreement. The Executive shall be reimbursed for all reasonable relocation expenses (including, without limitation, temporary living expenses) in connection with his relocation to the Chicago area, in accordance with the Company's relocation policy applicable to officers.
- (m) Attorney fees. The Company shall reimburse the Executive for the reasonable attorney fees incurred in connection with the negotiation of this Agreement.
- (n) Withholding. All compensation and benefits payable to the Executive shall be subject to applicable withholding taxes and other employment taxes. The Company, in its discretion, may accept other provision for payment of required taxes.

3. Termination. The Executive's employment with the Company may be terminated by the Company or the Executive only under the circumstances described in paragraphs 3(a) through 3(f):

- (a) Death. The Executive's employment hereunder will terminate upon his death.
- (b) Disability. If the Executive is Disabled, the Company may terminate the Executive's employment with the Company. For purposes of the Agreement, the Executive shall be deemed to have a "Disability" (and to be "Disabled") if he has a physical or mental disability that renders him incapable, after

reasonable accommodation by the Company, of performing his duties under this Agreement.

- (c) Cause. The Company may terminate the Executive's employment hereunder at any time for Cause. For purposes of this Agreement, the term "Cause" shall mean the Executive's gross misconduct or willful and material breach of this Agreement.
- (d) Termination by Executive. The Executive may terminate his employment hereunder as of the end of the Agreement Term.
- (e) Termination by Executive for Good Reason. The Executive may resign for Good Reason (as defined in this paragraph (e)). For purposes of this Agreement, "Good Reason" shall mean, without the Executive's express written consent, the occurrence of any of the following circumstances unless, in the case of paragraphs (i) through (vi) below, such circumstances are fully corrected within a reasonable period (not to exceed 10 business days) following delivery of the Notice of Termination given in respect thereof:
 - (i) The assignment to the Executive of any duties materially inconsistent with the Executive's position as Senior Vice President and Chief Financial Officer.
 - (ii) A reduction in the Executive's annual base salary, except for across-the-board uniform salary reductions affecting all senior executives of the Company, or a reduction in any benefit required to be provided to the Executive under this Agreement to a level below the level required under this Agreement.
 - (iii) The failure of the Company, without the Executive's written consent, to pay to the Executive any portion of the Executive's compensation due under this Agreement, within 10 business days of the date such payment is due.
 - (iv) The failure of the Company to obtain a satisfactory written agreement from any successor to assume and agree to perform this Agreement.
 - (v) Any purported termination of the Executive's employment that is not effected pursuant to a Notice of Termination satisfying the requirements of paragraph (g) below (and for purposes of this Agreement, no such purported termination shall be effective).
 - (vi) A reasonable determination by the Executive that, as a result of a change in circumstances regarding his duties, he is unable to exercise the authorities, powers, functions or duties attached to his position and contemplated by paragraphs 1(a) and 1(b).

Except as otherwise expressly provided in this paragraph 3(e), nothing in this Agreement shall be construed to authorize or permit the resignation of the Executive during the Agreement Term.

- (f) Termination by Company. The Company may terminate the Executive's employment hereunder at any time for any reason, and the Company shall not be required to specify a reason for the termination unless termination occurs under paragraph 3(a), 3(b), or 3(c). Termination of the Executive's employment by the Company shall be deemed to have occurred under this paragraph 3(f) only if it is not for reasons described in paragraph 3(a), 3(b) or 3(c).
- (g) Notice of Termination. Any termination of the Executive's employment by the Company or the Executive must be communicated by a written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" means a dated notice which indicates the specific termination provision in this Agreement relied on and which sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated (except to the extent that such facts and circumstances are not required under paragraph 3(d) or 3(f)).
- (h) Date of Termination. "Date of Termination" means the last day the Executive is employed by the Company, provided that the Executive's employment is terminated in accordance with the foregoing provisions of this paragraph 3.

4. Rights Upon Termination. The Executive's right to payment and benefits under this Agreement for periods after his Date of Termination shall be determined in accordance with the following provisions of this paragraph 4:

- (a) Death or Disability. If the Executive's Date of Termination occurs under circumstances described in paragraph 3(a) (relating to the Executive's death) or paragraph 3(b) (relating to the Executive's being Disabled), then, except as otherwise provided in paragraph 4(e) or otherwise agreed in writing between the Executive and the Company, the Executive shall be entitled to:
 - (i) Any unpaid salary for days worked prior to the Date of Termination, and payment for unused vacation (determined in accordance with the policies of the Company as in effect from time to time for Company officers) earned prior to the Date of Termination.
 - (ii) A pro-rata payment with respect to the bonus described in paragraph 2(c) for the performance period in which the Date of Termination occurs. In determining the amount of the bonus payable under this paragraph (ii), the performance through the end of the performance period shall be extrapolated based on the performance through the Date of Termination.
 - (iii) A pro-rata distribution of the Strategic Incentive Plan shares described in paragraph 2(d) with respect to the performance period in which the Date of Termination occurs. In determining the amount of the Strategic Incentive Plan shares payable under this paragraph (iii), the performance through the end of the performance period shall be extrapolated based on the performance through the Date of Termination.
 - (iv) Any bonus or Strategic Incentive Plan award earned before the Date of Termination but unpaid as of the Date of Termination.
- (b) Termination by Company without Cause or Resignation by Executive for Good Reason. If the Executive's Date of Termination occurs under circumstances described in paragraph 3(f) (relating to termination by the Company without Cause), or if the Executive resigns for Good Reason, then, except as otherwise provided in paragraph 4(e) or otherwise agreed in writing between the Executive and the Company, the Executive shall be entitled to benefits in accordance with paragraphs (i) through (v) below:
 - (i) The Executive shall be entitled to the salary amount described in paragraph 2(b), as in effect on his Date of Termination, determined as though he had continued to be employed by the Company for the period continuing through the one-year anniversary of the Date of Termination.
 - (ii) The Executive shall be entitled to the bonus payments described in paragraph 2(c), determined as though he had continued to be employed by the Company for the period continuing through the one-year anniversary of the Date of Termination (that is, the Executive will be entitled to (A) the bonus for the full year in which the Date of Termination occurs; and (B) if the Date of Termination is other than December 31, a pro-rata payment for the performance period commencing on the January 1 following the Date of Termination and ending on the one-year anniversary of the Date of Termination). In determining the amount of the bonus payable under this paragraph (ii), the performance through the end of the annual performance period shall be extrapolated based on the performance through the Date of Termination.
 - (iii) The Executive shall be entitled to the Strategic Incentive Plan shares described in paragraph 2(d) based on the actual performance for the applicable period(s), determined as though he had continued to be employed by the Company for the period continuing through the one-year anniversary of the Date of Termination. (That is, if the Executive's Date of Termination occurs at least one year before the end of the performance period, the Executive will be entitled to the amount of the bonus for the full performance period, but reduced to reflect the portion of the performance period following the first anniversary of the Date of Termination. If the Executive's Date of Termination occurs less than one year before the end of the performance period, the

Executive will be entitled to (A) the amount of the bonus for the full performance period, and (B) in addition, the amount payable under the preceding clause (A) multiplied by a fraction, the numerator of which is the number of days after the end of the performance period and prior to the first anniversary of the Date of Termination, and the denominator of which is the total number of days in the performance period.) In determining the amount of the Strategic Incentive Plan shares payable under this paragraph (iii), the performance through the end of the performance period shall be extrapolated based on the performance through the Date of Termination.

- (iv) The pension benefits described in paragraph 2(f) shall be vested as of the Date of Termination and shall be based on the actual years of service with the Company plus 12.5 additional years of service in accordance with paragraph 2(f)), provided that for purposes of determining the Executive's right to pension benefits and retiree medical benefits, he shall not earn any years of service for periods after the Date of Termination.
- (v) The Executive shall be entitled to any additional benefits that would have been provided to him pursuant to paragraph 2(i), determined as though he had continued to be employed by the Company for the period continuing through the first anniversary of the Date of Termination; provided that this paragraph (v) shall not apply to stock options, vacation, perquisites, expense reimbursement for expenses incurred after the Date of Termination, or any benefits that are subject to the foregoing provisions of paragraphs 4(b) (i) through 4(b) (iv).

Payments and benefits due under this paragraph 4(b) shall be subject to the following:

- (I) Subject to the following provisions of this paragraph 4(b) (I), benefits to be provided under the foregoing provisions of this paragraph 4(b) shall be provided at the time they would have been provided if the Executive continued to be employed by the Company; provided, however, that the amounts payable in accordance with paragraphs 4(b) (i), (ii) and (iii) shall be distributed to the Executive, within 10 business days following the Date of Termination, in a lump sum payment, with no actuarial or present value reduction for accelerated payment.
- (II) To the extent that benefits distributable under this paragraph 4(b) would be distributable in Company Stock, or the amount of such benefit would be based on the value of Company stock, the Company may satisfy its obligation under this paragraph 4(b) by providing a cash payment equal to the value of the benefit. Except as otherwise provided in this paragraph (II), to the extent that the Company determines that the Executive cannot participate in any benefit plan because he is not actively performing services for the Company, the Company may satisfy its obligation under this paragraph 4(b) by distributing cash to the Executive equal to the cost that would be incurred by the Executive to replace the benefit.
- (c) Indemnification. For a period of six years after his Date of Termination, the Executive shall be entitled to coverage under any directors and officers liability insurance policy, indemnification by-law and indemnification agreement maintained or offered by the Company or any successor to the Company during that period to directors and officers. This paragraph (c) shall not apply if the Executive's Date of Termination occurs during the Agreement Term under circumstances described in paragraph 3(c) (relating to the Executive's termination for Cause).
- (d) Other Obligations. In addition to the foregoing payments and benefits, the Executive shall be entitled to any other payments or benefits due to be provided to the Executive pursuant to any employee compensation or benefit plans or arrangements (as the terms of those compensation or benefit plans or arrangements are modified by paragraph 2 of this Agreement, including without limitation the provisions of paragraph 2(f) and paragraph 2(g)), to the extent such payments and benefits are earned as of the Date of Termination. Except as otherwise specifically provided in this paragraph 4, the Company shall have no obligation to make any other payments or provide any other benefits under the Agreement for periods after the

Executive's Date of Termination.

(e) No Participation in Severance Plans. Except as may be otherwise specifically provided in an amendment of this paragraph (e) adopted in accordance with paragraph 10, payments under this paragraph 4 shall be in lieu of any compensation or benefits that may be otherwise payable to or on behalf of the Executive pursuant to the terms of any severance pay arrangement of the Company or any Affiliate or any other, similar arrangement of the Company or any Affiliate providing benefits upon involuntary termination of employment.

5. Noncompetition. For the period beginning on the Effective Date and ending one year after the Executive's Date of Termination (regardless of the reason for the termination of employment), (a) the Executive shall not directly or indirectly be employed or retained by, or render any services for, or be financially interested in any manner, in any person, firm or corporation engaged in any business which is then materially competitive in any way with any business in which the Company or any of its Affiliates was engaged (including any program of development or research) during the Executive's employment, (b) the Executive shall not divert or attempt to divert any business from the Company or any Affiliate, and (c) the Executive shall not disturb or attempt to disturb any business or employment relationships of the Company or any Affiliate. Notwithstanding the foregoing provisions of this paragraph 5, the Executive shall be permitted to (i) invest in mutual funds which are diversified, open-end management companies (as those terms are defined in Section 5 of the Investment Company Act of 1940) that are registered under such Act; (ii) invest in the outstanding stock of any corporation listed on the New York Stock Exchange or American Stock Exchange or included in the National Association of Securities Dealers Automated Quotation System (but only to the extent that the Executive's interest in the stock of any such corporation does not exceed 5% of the voting power of the outstanding stock of such corporation); and (iii) purchase and hold any other investment to the extent the Chief Executive Officer of the Company consents in writing to such investment; and any investment described in clauses (i), (ii) or (iii) next above shall not be considered to violate the requirements of this paragraph 5.

6. Confidential Information. The Executive agrees that:

(a) Except as may be required by the lawful order of a court or agency of competent jurisdiction, or except to the extent that the Executive has express written authorization from the Company, he agrees to keep secret and confidential all Confidential Information (as defined below), and not disclose the same, either directly or indirectly, to any other person, firm, or business entity, or to use it in any way. The Executive agrees that, to the extent that any court or agency seeks to have the Executive disclose Confidential Information, he shall promptly inform the Company, and he shall take such reasonable steps to prevent disclosure of Confidential Information until the Company (or, if applicable, the Affiliate) has been informed of such requested disclosure, and the Company has an opportunity to respond to such court or agency. To the extent that the Executive obtains information on behalf of the Company or an Affiliate that may be subject to attorney-client privilege as to the Company's or an Affiliate's attorneys, the Executive shall take reasonable steps to maintain the confidentiality of such information and to preserve such privilege.

(b) For purposes of this Agreement, the term "Confidential Information" means all non-public information concerning the Company and any Affiliate that was acquired by or disclosed to the Executive during the course of his employment with the Company, or during discussions between the Executive and the Company or any Affiliate following his termination of employment arising out of his employment or this Agreement, including, without limitation:

(i) all "trade secrets" as that term is used in the Illinois Trade Secrets Act (or, if that Act is repealed, the Uniform Trade Secrets Act upon which the Illinois Trade Secrets Act is based) of the Company or any Affiliate;

(ii) any non-public information regarding the Company's or the Affiliates' directors, officers, employees, customers, equipment, processes, costs, operations and methods, whether past, current or planned, as well as knowledge and data relating to business plans, marketing and sales information originated, owned, controlled or possessed by the Company or an Affiliate; and

(iii) information regarding litigation and threatened litigation involving or affecting the Company or an Affiliate.

(c) This paragraph 6 shall not be construed to unreasonably restrict the Executive's ability to disclose confidential information in an arbitration proceeding or a court proceeding in connection with the assertion of, or defense against any claim of breach of this Agreement in accordance with paragraph 8 or paragraph 18. If there is a dispute between the Company and the Executive as to whether information may be disclosed in accordance with this paragraph (c), the matter shall be submitted to the arbitrators or the court (whichever is applicable) for decision.

7. Defense of Claims. The Executive agrees that, for the period beginning on the Effective Date, and continuing for a reasonable period after the Executive's Date of Termination, the Executive will assist the Company and the Affiliates in defense of any claims that may be made against the Company or an Affiliate, and will assist the Company and the Affiliates in the prosecution of any claims that may be made by the Company or an Affiliate, to the extent that such claims may relate to services performed by the Executive for the Company or the Affiliates. The Executive agrees to promptly inform the Company if he becomes aware of any lawsuits involving such claims that may be filed against the Company or any Affiliate. The Company agrees to reimburse the Executive for all of the Executive's reasonable out-of-pocket expenses associated with such assistance, including travel expenses. For periods after the Executive's Date of Termination, the Company agrees to provide reasonable compensation to the Executive for such assistance. The Executive also agrees to promptly inform the Company if he is asked to assist in any investigation of the Company or an Affiliate (or their actions) that may relate to services performed by the Executive for the Company or an Affiliate, regardless of whether a lawsuit has then been filed against the Company or an Affiliate with respect to such investigation.

8. Equitable Remedies. The Executive acknowledges that the Company would be irreparably injured by a violation of paragraph 6 or 7, and he agrees that the Company, in addition to any other remedies available to it for such breach or threatened breach, shall be entitled to a preliminary injunction, temporary restraining order, or other equivalent relief, restraining the Executive from any actual or threatened breach of paragraph 6 or 7.

9. Nonalienation. The interests of the Executive under this Agreement are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Executive or the Executive's beneficiary.

10. Amendment. This Agreement may be amended or cancelled only by mutual agreement of the parties in writing without the consent of any other person. So long as the Executive lives, no person, other than the parties hereto, shall have any rights under or interest in this Agreement or the subject matter hereof.

11. Applicable Law. The provisions of this Agreement shall be construed in accordance with the laws of the State of Illinois, without regard to the conflict of law provisions of any state.

12. Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, and this Agreement will be construed as if such invalid or unenforceable provision were omitted (but only to the extent that such provision cannot be appropriately reformed or modified).

13. Waiver of Breach. No waiver by any party hereto of a breach of any provision of this Agreement by any other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, will operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provisions and conditions at the same or any prior or subsequent time. The failure of any party hereto to take any action by reason of such breach will not deprive such party of the right to take action at any time while such breach continues.

14. Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

15. Notices. Notices and all other communications provided for in this

Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, or sent by facsimile or prepaid overnight courier to the parties at the addresses set forth below (or such other addresses as shall be specified by the parties by like notice). Such notices, demands, claims and other communications shall be deemed given:

- (a) in the case of delivery by overnight service with guaranteed next day delivery, the next day or the day designated for delivery;
- (b) in the case of certified or registered U.S. mail, five days after deposit in the U.S. mail; or
- (c) in the case of facsimile, the date upon which the transmitting party received confirmation of receipt by facsimile, telephone or otherwise;

provided, however, that in no event shall any such communications be deemed to be given later than the date they are actually received. Communications that are to be delivered by the U.S. mail or by overnight service are to be delivered to the addresses set forth below:

to the Company:

Brunswick Corporation
1 North Field Court
Lake Forest, Illinois 60045

or to the Executive:

Peter B. Hamilton
Brunswick Corporation
1 North Field Court
Lake Forest, Illinois 60045

All notices to the Company shall be directed to the attention of the Chief Executive Officer of the Company, with a copy to the Secretary of the Company. Each party, by written notice furnished to the other party, may modify the applicable delivery address, except that notice of change of address shall be effective only upon receipt.

16. Survival of Agreement. Except as otherwise expressly provided in this Agreement, the rights and obligations of the parties to this Agreement shall survive the termination of the Executive's employment with the Company and all Affiliates.

17. Entire Agreement. Except as otherwise noted herein, this Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, if any, between the parties relating to the subject matter hereof. Notwithstanding the preceding sentence, it is understood and agreed that the Executive and the Company shall enter into a change in control agreement contemporaneous with or following execution of this Agreement. Such change in control agreement shall not duplicate benefits under this Agreement, and shall not be superseded by this Agreement.

18. Resolution of Disputes. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in the City of Chicago in accordance with the laws of the State of Illinois by three arbitrators, one of whom shall be appointed by the Company, one by the Executive, and the third by the other two. If the other two arbitrators cannot agree on the appointment of a third arbitrator, or if either party fails to appoint an arbitrator, then such arbitrator shall be appointed by the Chief Judge of the United States Court of Appeals for the Seventh Circuit. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except with respect to the selection of arbitrators which shall be as provided in this paragraph 18. Judgement upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. In the event that it shall be necessary or desirable for the Executive to retain legal counsel or incur other costs and expenses in connection with the enforcement of any or all of his rights under this Agreement, he shall be entitled to recover from the Company reasonable attorney's fees and costs and expenses incurred by him in connection with the enforcement of those rights. Payments shall be made to the Executive by the Company at the time these attorney's fees and costs and expenses are incurred by the Executive. If, however, the arbitrators should later determine that under

the circumstances it was unjust for the Company to have made any of these payments or attorney's fees and costs and expenses to the Executive, he shall repay them to the Company in accordance with the order of the arbitrators. Any award of the arbitrators shall include interest at a rate or rates considered just under the circumstances by the arbitrators. This paragraph 18 shall not be construed to limit the Company's right to obtain relief under paragraph 8 with respect to any matter or controversy subject to paragraph 8, and, pending a final determination by the arbitrator with respect to any such matter or controversy, the Company shall be entitled to obtain any such relief by direct application to a court of law, without being required to first arbitrate such matter or controversy.

In Witness Whereof, the Executive has hereunto set his hand, and the Company has caused these presents to be executed in its name and on its behalf, and its corporate seal to be hereunto affixed, all as of the Effective Date.

/s/ Peter B. Hamilton
Peter B. Hamilton

Date: December 1, 1995

Brunswick Corporation

By /s/ Peter Larson
Its Chief Executive Officer

Date: December 1, 1995

Attest:

/s/ Janet W. Carr

Exhibit 10.9

Agreement

This agreement by and between Brunswick Corporation, a Delaware corporation (the "Company"), and _____ (the "Executive"), dated as of _____.

Witnesseth that:

Whereas, the Company wishes to provide fair and equitable treatment and a competitive compensation package to the Executive, and to assure continued attention of the Executive to his duties without any distraction arising out of uncertain personal circumstances in a change in control environment; Now, therefore, it is hereby agreed by and between the parties as follows:

1. Term of Agreement. The "term" of this Agreement shall commence on the date stated above and shall terminate on the earliest of: (i) the date on which the Executive attains age 65, or (ii) one year after the Company provides written notice to the Executive that the Company wishes to terminate this Agreement; provided, however, that any written notice pursuant to (ii) above shall not be effective if a Change in Control has occurred prior to the date that such notice is given or if a Change in Control occurs during such one-year period.

2. Definitions.

Change in Control. "Change in Control" of the Company means a change in the beneficial ownership of the Company's voting stock or a change in the composition of the Company's Board of Directors which occurs as follows:

- (a) any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934), other than a trustee or other fiduciary of securities held under an employee benefit plan of the Company or any of its subsidiaries, is or becomes a beneficial owner, directly or indirectly, of stock of the Company representing 30% or more of the total voting power of the Company's then outstanding stock;

- (b) a tender offer (for which a filing has been made with the Securities and Exchange Commission ("SEC") which purports to comply with the requirements of Section 14(d) of the Securities Exchange Act of 1934 and the corresponding SEC rules) is made for the stock of the Company, which has not been negotiated and approved by the Board of Directors of the Company, then the first to occur of
 - (i) any time during the offer when the person (using the definition in (a) above) making the offer owns or has accepted for payment stock of the Company with 25% or more of the total voting power of the Company's stock, or
 - (ii) three business days before the offer is to terminate unless the offer is withdrawn first if the person making the offer could own, by the terms of the offer plus any shares owned by this person, stock with 50% or more of the total voting power of the Company's stock when the offer terminates; or
- (c) individuals who were the Board of Directors' nominees for election as directors of the Company immediately prior to a meeting of the stockholders of the Company involving a contest for the election of directors shall not constitute a majority of the Board of Directors following the election.

Disability. For purposes of this Agreement, the term "Disability" means an incapacity, due to physical injury or illness or mental illness, causing the Executive to be unable to perform his duties with the Company on a full-time basis for a period of at least six consecutive calendar months.

Cause. For purposes of this Agreement, the term "Cause" means gross misconduct or willful and material breach of this Agreement by the Executive.

Good Reason. For purposes of this Agreement, the term "Good Reason" means:

- (a) a significant change in the nature or scope of the Executive's authorities or duties from those described in Section 3, a reduction in total compensation from that provided in Section 4, or the breach by the Company of any other provision of this Agreement;
- (b) a reasonable determination by the Executive that, as a result of a Change in Control of the Company and a change in circumstances thereafter significantly affecting his position, he is unable to exercise the authorities, powers, functions or duties attached to his position and contemplated by Section 3 of the Agreement; or
- (c) the relocation of the Executive's office to a location more than fifty miles from the location of his office immediately prior to the Employment Period.

3. Employment. If the Executive is in the employ of the Company on the date of a Change in Control, the Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company for the period commencing on such date and ending on the earlier to occur of the third anniversary of such date or the 65th birthday of the Executive (the "Employment Period"). During the Employment Period the Executive shall exercise such authority and perform such executive duties as are commensurate with the authority being exercised and duties being performed by the Executive immediately prior to the Change in Control, which services shall be performed at the location where the Executive was employed immediately prior to the Change in Control or at such other location as the Company may reasonably require; provided that the Executive shall not be required to accept a location which is unreasonable in light of the Executive's personal circumstances. The Executive agrees that during the Employment Period he shall devote his full business time exclusively to his executive duties as described herein and perform such duties faithfully and efficiently.

4. Compensation, Compensation Plans, Perquisites. During the Employment Period, the Executive shall be compensated as follows:

- (a) He shall receive an annual salary which is not less than his annual salary immediately prior to the date of the Change in Control, with the opportunity for increases, from time to time thereafter, which are in accordance with the Company's regular practices.
- (b) He shall be eligible to participate on a reasonable basis in bonus, stock option, restricted stock and other incentive compensation plans which provide opportunities to receive compensation which, in the aggregate, are the greater of (i) the opportunities provided by the Company for executives with comparable duties or (ii) the opportunities under any such plans under which he was participating immediately prior to the date of Change in Control.
- (c) He shall be entitled to receive employee benefits (including, but not limited to, pension, medical, dental, life insurance, and split-dollar life insurance arrangements and programs) and perquisites which, in the aggregate, are the greater of (i) the employee benefits and perquisites provided by the Company to executives with comparable duties or (ii) the employee benefits and perquisites to which he was entitled immediately prior to the date of the Change in Control.

5. Termination and Resignation. The term "Termination" means (i) termination by the Company of the employment of the Executive with the Company during the Employment Period for any reason other than death, Disability or Cause, or (ii) resignation of the Executive for Good Reason after the date of a Change in Control. The effective date of the Executive's Termination shall be the date specified by the Executive or the Company as the case may be, in a written notice to the other party complying with the requirements of Section 14.

The term "Resignation" means termination by the Executive (rather than termination by the Company) of his employment with the Company during the first 6 months of the Employment Period for any reason other than death, Disability, or Good Reason. The effective date of the Executive's Resignation shall be the date (within such 6 month period) specified by the Executive in a written notice to the Company complying with the requirements of Section 14.

6. Non-Competition and Confidentiality. The Executive agrees that:

- (a) for one year after the termination of the Executive's employment with the Company (without regard to the definitions of Termination or Resignation contained in Section 5), the Executive shall not be employed by, or otherwise engage or be interested in, any business which is competitive with any business of the Company or of any of its subsidiaries in which the Executive was engaged during his employment prior to his termination, but this restriction shall apply only if such employment or activity is likely to cause, or causes, serious damage to the Company or any of its subsidiaries; and
- (b) during and after the Executive's employment by the Company, he will not divulge or appropriate to his own use or the use of others any secret or confidential information or knowledge pertaining to the business of the Company, or any of its subsidiaries, obtained during his employment by the Company or any of its subsidiaries.

7. Deferred Compensation and Supplemental Pension Benefits. Within 60 days after the date of a Change in Control, the Company shall make and shall cause each of its subsidiaries to make a lump sum distribution to the Executive of (i) the actuarial equivalence of the Executive's accrued benefit, if any, under the Company's supplemental pension plan, and (ii) the balance, if any, credited to the account of the Executive under any other deferred compensation arrangement maintained by the Company or any of its subsidiaries, other than a plan which is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Actuarial equivalence shall be determined on the basis of the rates, tables, and factors then in effect for purposes of determining the actuarial equivalence of optional forms of payment under the Brunswick Pension Plan for Salaried Employees, or any successor plans (the "Pension Plan"); provided, however, that the interest rate or rates which

would be used as of the date of Change in Control of the Company by the Pension Benefit Guaranty Corporation ("PBGC") for purposes of determining the present value of the Executive's benefits under the Pension Plan if the Pension Plan had terminated on the date of Change in Control with insufficient assets to provide benefits guaranteed by the PBGC on that date shall be substituted for the interest assumption used under the Pension Plan.

8. Severance Payments for Termination. In the event of a Termination during the Employment Period, the Executive shall:

- (a) be paid a lump sum cash severance allowance no later than 10 days after the date of such Termination in an amount which is equal to 3 times the sum of:
 - (i) the annual salary as of the date of Termination to which the Executive otherwise would have been entitled in accordance with Section 4, and
 - (ii) an annual bonus equal to 50%* of the annual salary as of the date of Termination and an additional bonus under the Brunswick Strategic Incentive Plan equal to 50%* of the annual salary as of the date of Termination, and
- (b) be entitled to receive:
 - (i) in addition to the benefits provided under the Pension Plan and the supplemental pension plan maintained by the Company, the difference between (x) the pension benefits the Executive would have accrued under the Pension Plan and the supplemental pension plan if on the date of such Termination he had 3 additional years of service at his rate of compensation on the date of Termination and had been 3 years older than his actual age on such date and (y) the pension benefits he actually accrued under the Pension Plan and the supplemental pension plan as of the date of Termination;

*In some agreements this percentage is 37.5%.

- (ii) other incentive compensation to which the Executive would have been entitled (such as stock options and stock appreciation rights) had he remained in the employ of the Company for 36 calendar months after his Termination to the extent such incentive compensation programs are in effect at the date of the Executive's Termination; and
- (iii) the employee benefits (other than pension benefits) to which he would have been entitled under all employee benefit plans, programs or arrangements maintained by the Company as of the date of Termination (including, but not limited to, coverage under any medical, dental, life insurance, and split-dollar life insurance arrangements or programs) if he had remained in the employ of the Company for 36 calendar months after his Termination.

The actuarial equivalence of the difference described in clause (i) of subsection (b) of this Section shall be paid in a lump sum within 60 days of the date of Termination and shall be calculated in the same manner as provided for lump sum distributions from the supplemental pension plan under Section 7 of this Agreement, except that actuarial equivalence shall be determined on the basis of the rates, tables and factors in effect on the date of Termination and the interest rate or rates to be used for such purpose shall be the interest rate or rates which would be used as of the date of Termination by the PBGC for purposes of determining the present value of the Executive's benefits under the Pension Plan if the Pension Plan had terminated on the date of Termination with insufficient assets to provide benefits guaranteed by the PBGC on that date. Instead of providing the benefits described in clauses (ii) and (iii) of this subsection (b), the Company may pay the

Executive the value of such benefits by periodic payments or in a lump sum. Except as otherwise provided in Section 10, the Company shall distribute to the Executive any split-dollar life insurance policy maintained on the life of the Executive if within 60 days after the end of the period described in clause (iii) of subsection (b) the Executive reimburses the Company for the costs of maintaining such policy (other than any additional premiums for special ratings and the premiums paid by the Executive).

The amount of the lump sum payment under clause (a) of this paragraph 8 shall be reduced by the amount of the payments for salary, annual bonus and Brunswick Strategic Incentive Plan awards under paragraphs 4(b)(i), (ii) and (iii) of the Executive's employment agreement with the Company dated December 1, 1995 (the "1995 Agreement").

9. Severance Payments for Resignation. In the event of a Resignation during the first 6 months of the Employment Period, the Executive shall:

(a) be paid a lump sum cash severance allowance no later than 10 days after the date of such Resignation in an amount which is equal to 2 times the sum of:

(i) the annual salary as of the date of Resignation to which the Executive otherwise would have been entitled in accordance with Section 4, and

(ii) an annual bonus equal to 50%* of the annual salary as of the date of Resignation and an additional bonus under the Brunswick Strategic Incentive Plan equal to 50%* of the annual salary as of the date of Resignation, and

(b) be entitled to receive:

(i) in addition to the benefits provided under the Pension Plan and the supplemental pension plan maintained by the Company, the difference between (x) the pension benefits the Executive would have accrued under the Pension Plan and the supplemental pension plan if on the date of such Resignation he had 2 additional years of service at his rate of compensation on the date of Resignation and had been 2 years older than his actual age on such date and (y) the pension benefits he actually accrued under the Pension Plan and the supplemental pension plan as of the date of Resignation;

(ii) other incentive compensation to which the Executive would have been entitled (such as stock options and stock appreciation rights) had he remained in the employ of the Company for 24 calendar months after his Resignation to the extent such incentive compensation programs are in effect at the date of the Executive's Resignation; and

(iii) the employee benefits (other than pension benefits) to which he would have been entitled under all employee benefit plans, programs or arrangements maintained by the Company as of the date of Resignation (including, but not limited to, coverage under any medical,

*In some agreements this percentage is 37.5%.

dental, life insurance, and split-dollar life insurance arrangements or programs) if he had remained in the employ of the Company for 24 calendar months after his resignation.

The actuarial equivalence of the difference described in clause (i) of subsection (b) of this Section shall be paid in a lump sum within 60 days of the date of Resignation and shall be calculated in the same manner as provided for lump sum distributions from the supplemental pension plan under Section 7 of this Agreement, except

that actuarial equivalence shall be determined on the basis of the rates, tables and factors in effect on the date of Resignation and the interest rate or rates to be used for such purpose shall be the interest rate or rates which would be used as of the date of Resignation by the PBGC for purposes of determining the present value of the Executive's benefits under the Pension Plan if the Pension Plan had terminated on the date of Resignation with insufficient assets to provide benefits guaranteed by the PBGC on that date. Instead of providing the benefits described in clauses (ii) and (iii) of this subsection (b), the Company may pay the Executive the value of such benefits by periodic payments or in a lump sum. Except as otherwise provided in Section 10, the Company shall distribute to the Executive any split-dollar life insurance policy maintained on the life of the Executive if within 60 days after the end of the period described in clause (iii) of subsection (b) the Executive reimburses the Company for the costs of maintaining such policy (other than any additional premiums for special ratings and the premiums paid by the Executive).

The amount of the lump sum payment under clause (a) of this paragraph 9 shall be reduced by the amount of the payments for salary, annual bonus and Brunswick Strategic Incentive Plan awards under paragraphs 4(b)(i), (ii) and (iii) of the 1995 Agreement.

10. Limitation on Benefits. Despite anything to the contrary in Sections 8 and 9, in the event that the Executive would with the passage of time be expected to attain age 65 prior to the end of the 36 or 24 month period referred to in Sections 8 and 9 respectively, the amount and the duration of the payments and benefits shall be reduced to a level determined by multiplying the amount or duration of benefits set forth in Sections 8 or 9 by a fraction, the numerator of which shall be the number of full months between the first day of the Employment Period and the date the Executive would otherwise attain age 65, and the denominator of which shall be 36 (in the case of a Termination under Section 8) or 24 (in the case of a Resignation under Section 9).

In the event that this Agreement terminates pursuant to Section 1 because the Executive attains age 65, the Company shall prepay the Company portion of the remaining premiums on the Executive's split-dollar life insurance policy, advance to the Executive an amount equal to the Executive's remaining premiums, and shall continue the policy in effect. After the Executive reimburses the Company for the Company's costs of maintaining the policy (other than any additional premiums for special ratings and the premiums paid by the Executive), the Company shall distribute the policy to the Executive in accordance with its terms.

11. Tax Penalties. The Company shall advise the Executive as to the extent to which the Executive's compensation under this Agreement and all other compensation agreements, plans and programs of the Company and its subsidiaries may constitute parachute payments or excess parachute payments under Section 280G of the Code. In the event that any such compensation constitutes an excess parachute payment which is subject to tax under Section 4999 of the Code or any successor provision thereto (the "Excise Tax"), the Company shall pay to the Executive an additional amount (the "Gross-Up Amount") which, after payment of all federal and state income taxes thereon (assuming the Executive is at the highest marginal federal and applicable state income tax rate in effect on the date of payment of the Gross-Up Amount) and payment of the Excise Tax on the Gross-Up Amount, is equal to the Excise Tax payable by the Executive on such excess parachute payment. The Gross-Up Amount payable with respect to each excess parachute payment shall be paid by the Company coincident with payment of such excess parachute payment; provided, however, that if the Gross-Up Amount cannot be finally determined on or before the payment date, the Company shall pay to the Executive on such date an estimate, as determined in good faith by the Company, of the minimum amount of such payments and shall pay the remainder of such payment (together with interest at the rate provided under Section 1274(b)(2)(B) of the Code) as soon as the amount can be determined but no later than the thirtieth day after the date Executive becomes subject to the payment of Excise Tax. In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time of payment by the Company, the Executive shall repay to the Company at the time that the amount of such reduction in Excise Tax is finally determined the portion of the Gross-Up Amount attributable to such reduction (plus the portion of the Gross-Up Amount attributable to the Excise Tax and federal and state income taxes imposed on the Gross-Up Amount being repaid by Executive if such repayment results in a reduction in Excise Tax and/or a federal tax deduction) plus interest on the amount of such repayment at the rate provided in Section

1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder at the time of payment by the Company, the Company shall pay an additional Gross-Up Amount which, after payment of all federal and state income taxes and Excise Tax thereon, is equal to such excess plus any interest, penalties, fines and costs incurred by the Executive with respect thereto.

12. Arbitration of All Disputes. Any controversy or claim arising out of or relating to this Agreement or the breach thereof, shall be settled by arbitration in the City of Chicago in accordance with the laws of the State of Illinois by three arbitrators appointed by the parties. If the parties cannot agree on the appointment of the arbitrators, one shall be appointed by the Company, one by the Executive and the third shall be appointed by the first two arbitrators. If the first two arbitrators cannot agree on the appointment of a third arbitrator, then the third arbitrator shall be appointed by the Chief Judge of the United States Court of Appeals for the Seventh Circuit. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except with respect to the selection of arbitrators which shall be as provided in this Section 12. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. In the event that it shall be necessary or desirable for the Executive to retain legal counsel or incur other costs and expenses in connection with enforcement of his rights under this Agreement, the Company shall pay (or the Executive shall be entitled to recover from the Company, as the case may be) his reasonable attorneys' fees and costs and expenses in connection with enforcement of his rights (including the enforcement of any arbitration award in court), regardless of the final outcome, unless the arbitrators shall determine that under the circumstances recovery by the Executive of all or a part of any such fees and costs and expenses would be unjust.

13. Mitigation and Set-Off. The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise. The Company shall not be entitled to set off against the amounts payable to the Executive hereunder any amounts owed to the Company, any amounts earned by the Executive in other employment after termination of his employment with the Company, or any amounts which might have been earned by the Executive in other employment had he sought such other employment.

14. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and if sent by registered or certified mail to the Executive at the last address he has filed in writing with the Company or, in the case of the Company, at its principal executive offices.

15. Non-Alienation. The Executive shall not have any right to pledge, hypothecate, anticipate or in any way create a lien upon any amounts provided under this Agreement; and no benefits payable hereunder shall be assignable in anticipation of payment either by voluntary or involuntary acts, or by operation of law. Nothing in this Section shall limit the Executive's rights or powers to dispose of his property by will or limit any rights or powers which his executor or administrator would otherwise have.

16. Governing Law. The provisions of this Agreement shall be construed in accordance with the laws of the State of Illinois.

17. Amendment. This Agreement may be amended or canceled by mutual agreement of the parties in writing without the consent of any other person and, so long as the Executive lives, no person, other than the parties hereto, shall have any rights under or interest in this Agreement or the subject matter hereof.

18. Successors to the Company. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the Company and any successors of the Company.

19. Severability. In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect.

In witness whereof, the Executive has hereunto set his hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name and on its behalf, and its corporate seal to be hereunto affixed and attested by its Corporate Secretary, all as of the day and year first above written.

Executive

Brunswick Corporation

By:

Chairman and Chief Executive

Attest:

Corporate Secretary

Exhibit 10.17

Director and Officer
Indemnification Agreement

Agreement, made and entered into as of April 1, 1995 between Brunswick Corporation, a Delaware corporation (the "Corporation"), and Peter N. Larson ("Indemnitee").

Whereas, the Corporation is a Delaware corporation; and

Whereas, at the request of the Corporation, Indemnitee currently serves as an officer of the Corporation and may, therefore, be subjected to claims, suits or proceedings arising as a result of his service; and

Whereas, as an inducement to Indemnitee to continue to serve as an officer, the Corporation has agreed to indemnify Indemnitee against expenses and costs incurred by Indemnitee in connection with any such claims, suits or proceedings, to the fullest extent that is lawful; and

Whereas, the parties by this Agreement desire to set forth their agreement regarding indemnification;

Now, therefore, the parties agree as follows:

1. Acts or Omissions Covered By This Agreement. This Agreement shall cover any act or omission by an Indemnitee which (i) occurs or is alleged to have occurred by reason of his being or having been a director or officer, (ii) occurs or is alleged to have occurred before, during or after the time when the Indemnitee served as a director or officer and (iii) gives rise to, or is the direct or indirect subject of a claim in any threatened, pending or completed action, suit or proceeding at any time or times whether during or after his service as a director or officer.

2. Indemnity.

(a) The Corporation hereby agrees to indemnify, and keep indemnified in accordance with, and to the fullest extent permitted by the Corporation's charter and that is lawful, and regardless of any by-law provision to the contrary, Indemnitee, from and against any expenses, liabilities and losses (including attorney's fees), judgments, fines, taxes, penalties and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with any threatened, pending or completed action, suit or proceeding, inquiry, hearing or investigation, whether civil, criminal, administrative, arbitral or investigative, by reason of or related to the fact that he is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, trustee, fiduciary or agent of another corporation, partnership, joint venture, trust or other enterprise and whether or not such action is by or in the right of the Corporation or that other corporation, partnership, joint venture, trust or other enterprise with respect to which the Indemnitee serves or has served. The Corporation shall also pay to the Indemnitee the aggregate amount of any additional Federal, state, local and foreign income tax payable by the Indemnitee from time to time as a result of the receipt of amounts in accordance with this subsection 2(a) and the receipt of payment under this sentence; provided, however, that no payment shall be made under this sentence with respect to any liabilities or other amounts to the extent that such liabilities or other amounts are deductible from the Indemnitee's income for purposes of determining the Indemnitee's Federal, state, local or foreign income tax, as applicable.

(b) Despite anything to the contrary in subsection (a), the Corporation agrees to indemnify Indemnitee in a suit or proceeding initiated by the Indemnitee only if the Indemnitee acted with the authorization of the Corporation in initiating that suit or proceeding. However, an arbitration proceeding brought under Section 7 shall not be subject to this subsection (b).

- (c) For purposes of this Agreement, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries.

3. Burden of Proof. Indemnitee shall be presumed to be entitled to indemnification for any act or omission covered in Section 1 of this Agreement. The burden of proof of establishing that Indemnitee is not entitled to indemnification because of the failure to fulfill some requirement of Delaware law, the Company's charter, by-laws, or this Agreement shall be on the Corporation.

4. Notice By Indemnitee. Indemnitee shall notify the Corporation in writing of any matter with respect to which Indemnitee intends to seek indemnification hereunder as soon as reasonably practicable following the receipt by Indemnitee of written threat thereof, provided that failure to so notify the Corporation shall not constitute a waiver by Indemnitee of his rights hereunder.

5. Advancement of Expenses. In the event of any action, suit or proceeding against Indemnitee which may give rise to a right of indemnification from the Corporation pursuant to this Agreement, following written request to the Corporation by the Indemnitee, the Corporation shall advance to Indemnitee amounts to cover expenses incurred by Indemnitee in defending the action, suit or proceeding in advance of final disposition upon receipt of (i) an undertaking by or on behalf of the Indemnitee to repay the amount advanced in the event that it shall be ultimately determined in accordance with Section 3 of this Agreement that he is not entitled to indemnification by the Corporation, and (ii) satisfactory evidence as to the amount of such expenses. Indemnitee's written certification together with a copy of the statement paid or to be paid by Indemnitee shall constitute satisfactory evidence unless determined to the contrary in an arbitration proceeding conducted pursuant to Section 7 of this Agreement.

6. Non-Exclusivity of Right of Indemnification. The indemnification rights granted to Indemnitee under this Agreement shall not be deemed exclusive of, or in limitation of, any rights to which Indemnitee may be entitled under Delaware law, the Corporation's charter or By-laws, any other agreement, vote of stockholders or directors or otherwise.

7. Arbitration of All Disputes Concerning Entitlement. Any controversy or claim arising out of or relating to the Indemnitee's entitlement to indemnification under this Agreement shall be settled by arbitration in the City of Chicago by three arbitrators, one of whom shall be appointed by the Corporation, one by the Indemnitee and the third of whom shall be appointed by the first two arbitrators. If the first two arbitrators cannot agree on the appointment of a third arbitrator or if either party fails to appoint an arbitrator, then that arbitrator shall be appointed by the Chief Judge of the United States Court of Appeals for the Seventh Circuit. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Interest on any judgment shall be assessed at a rate or rates the arbitrators consider just under the circumstances. If it is necessary or desirable for the Indemnitee to retain legal counsel or incur other costs and expenses in connection with enforcement of his rights under this Agreement, the Corporation shall pay his reasonable attorneys' fees and costs and expenses in connection with enforcement of his rights (including the enforcement of any arbitration award in court), regardless of the final outcome, unless the arbitrators determine that under the circumstances recovery by the Indemnitee of all or a part of any such fees and costs and expenses would be unjust.

8. Governing Law.

- (a) Except as provided for in subparagraph (b) of this section, this Agreement shall be governed by the laws of the State of Delaware.
- (b) Any arbitration under this Agreement shall be governed by the laws of the State of Illinois.

9. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, this invalidity or unenforceability shall not affect the validity or enforceability of any other provision of this Agreement, and this Agreement shall be interpreted as though the invalid or unenforceable provision was not a part of this Agreement.

In witness whereof, the parties have executed this Agreement as of the day and year first above stated.

Brunswick Corporation

By /s/ Jack F. Reichert
Chairman

Indemnatee

/s/ Peter N. Larson

Exhibit 10.22
1996 Brunswick Performance Plan Highlights

Purpose: To motivate and reward Senior Executives and other management employees of the Company for the achievement of specified annual financial goals and the enhancement of management talent in the organization.

Eligibility: Approximately top 400 managers in the Company.

Maximum Award:

Leadership Team (7 participants):	100% of base salary
Senior Management (10 participants):	75% of base salary
Key Management (120 participants):	40% to 50% of base salary
Other Management (270 participants):	30% to 40% of base salary

Performance Measures: Established annually by the CEO. Measures and weightings may be modified year to year. Initial weighting as follows:

40% Pre-Tax Earnings
40% Cash flow, excluding capital expenditures
20% People/Organizational Enhancement (Up-Talenting)

Payout Form:

Leadership Team: 50% cash, 50% shares (deferrable) until mandated stock ownership levels are achieved; thereafter the mix of cash and stock will be at the participant's election.

Senior, Key and Other Management: 100% cash.

Payment: Bonus payments will be made after the year-end financial results have been reviewed and certified by Arthur Andersen & Co. Proposed bonus payments to the Leadership Team and Senior Management will be reviewed and approved by the Compensation Committee.

Withholding: Participants receiving a portion of their bonus payment in stock may elect to pay Federal, state and local withholding tax obligations to the Company in cash or request that the Company withhold a number of shares of common stock equal in value to the withholding tax amount, at the discretion of the Committee.

Exhibit 10.24

Purpose: To attract, retain, and significantly reward a select group of individuals for the achievement of aggressive, measurable standards of corporate performance. Payments in stock are intended to assist participants in achieving specified ownership guidelines and promote an entrepreneurial approach to the business.

Eligibility: A select group of 7-10 executives (Leadership Team), 8-10 senior managers (Senior Management) and approximately 120 management employees (Key Management).

Performance Period: Two years

Award Frequency: Annually, performance periods will be overlapping.

Performance Measures: Pre-tax earnings (50%) and cash flow, excluding capital expenditures (50%).

Performance Weightings:

- Leadership Team: Corporate performance - 30%; Division performance - 70%
- Senior Management: Corporate performance - 20%; Division performance - 80%
- Key Management: Corporate performance - 10%; Division performance - 90%

Maximum Award:

- Leadership Team: Equivalent of 100% of base pay, denominated initially in 100% deferrable stock until mandate achieved.
- Senior Management: Equivalent of 75% of base pay, denominated initially in 75% deferrable stock until mandate achieved.
- Key Management: Equivalent of 40%-60% of base pay, denominated initially in 50% deferrable stock until mandate achieved.

Payout Form: The mix of payments under this Plan between cash and stock will change as specified ownership guidelines are achieved. The following will be the payment form until the stock ownership guidelines are achieved and then individually electable:

- Leadership Team: 100% stock
- Senior Management: 75% stock, 25% cash
- Key Management: 50% cash, 50% stock

Upon achievement of the ownership guidelines, the participant may elect the form of payment, either cash or stock, with the opportunity for voluntary deferrals of stock into a Rabbi trust.

Payment: Bonus payments will be made after the year-end financial results have been reviewed and certified by Arthur Andersen & Co. Proposed bonus payments to the Leadership Team and Senior Management will be reviewed and approved by the Compensation Committee.

Withholding: Participants receiving a portion of their bonus payment in stock may elect to pay Federal, state and local withholding tax obligations to the Company in cash or request that the Company withhold a number of shares of common stock equal in value to the withholding tax amount, at the discretion of the Committee.

Subsidiaries of the Company

The following corporations are direct or in-direct wholly-owned subsidiaries of Brunswick Corporation:

	Place of Incorporation
Appletree Ltd.	Bermuda
Baja Marine Corporation	Delaware
Bayliner Marine Corporation	Delaware
Brunswick AG	Switzerland
Brunswick Bowling & Billiards Corporation	Delaware
Brunswick Bowling & Billiards Mexico, S.A. de C.V.	Mexico
Brunswick Bowling & Billiards (U.K.) Limited	England
Brunswick Bowling e Billiards Industria e Comercia Ltda.	Brazil
Brunswick Bowling GmbH	West Germany
Brunswick Bowling Pin Corporation	Delaware
Brunswick Centres, Inc.	Ontario
Brunswick GmbH	West Germany
Brunswick International (Canada) Limited	Ontario
Brunswick International GmbH	West Germany
Brunswick International Holdings, Inc.	Delaware
Brunswick International Limited	Delaware
Brunswick International Sales Corporation	U.S. Virgin Islands
Brunswick Technology Corporation	Delaware
Centennial Assurance Company, Ltd.	Bermuda
Escort Trailer Corporation	Washington
Jupiter Marine, Inc.	Delaware
Leiserv, Inc.	Delaware
Marine Power Australia Pty. Limited	Australia
Marine Power Europe, Inc.	Delaware
Marine Power International Limited	Delaware
Marine Power International Pty. Limited	Delaware
Marine Power Italia S.p.A.	Italy
Marine Xpress Corporation	Delaware
Mercury Marine Limited	Ontario
Normalduns B.V.	Netherlands
OBC International Holdings Inc.	Delaware
Productos Marine de Mexico, S.A. de C.V.	Mexico
Ray Industries, Inc.	Arizona
Ray Industries, Inc.	Delaware
SBC International Holdings Inc.	Delaware
Sea Ray Boats Europe B.V.	Netherlands
Sea Ray Boats, Inc.	Arizona
Sea Ray Boats, Inc.	Florida

	Place of Incorporation
Sea Ray Boats, Inc.	Tennessee
Skokie Investment Corporation	Delaware
Starcraft Power Boats Corp.	Delaware
Wintergreen Finance, Inc.	Delaware
Zebco Corporation	Delaware
Zebco Sales Corporation	Delaware
Zebco Sports France S.A.	France

In addition, Brunswick Corporation owns 50% of the outstanding stock of Nippon Brunswick Kabushiki Kaisha, a Japanese corporation.

The names of a number of subsidiaries have been omitted. Such subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

Exhibit 24.1

The undersigned directors and officers of Brunswick Corporation, a Delaware corporation (the "Company"), do hereby nominate, constitute and appoint Thomas K. Erwin, Peter B. Hamilton and Dianne M. Yaconetti and each of them individually, the true and lawful attorney or attorneys of the undersigned, with power to act with or without the others and with full power of substitution and resubstitution, to execute in the name and on behalf of the undersigned as directors and officers of the Company, the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 1995 and any and all amendments thereto; and each of the undersigned hereby ratifies and approves all that said attorneys or any of them shall do or cause to be done by virtue hereof.

In witness whereof, each of the undersigned has executed this Power of Attorney in one or more counterparts on the date set opposite his name.

Capacity	Signature	Date
Chairman of the Board, President, Chief Executive Officer (Principal Executive Officer) and Director	/s/ Peter N. Larson Peter N. Larson	February 6, 1996
Director	/s/ Nolan D. Archibald Nolan D. Archibald	February 6, 1996
Director	/s/ Michael J. Callahan Michael J. Callahan	February 6, 1996
Director	/s/ John P. Diesel John P. Diesel	February 6, 1996
Director	/s/ George D. Kennedy George D. Kennedy	February 6, 1996
Director	/s/ Bernd K. Koken Bernd K. Koken	February 6, 1996
Director	/s/ Jay W. Lorsch Jay W. Lorsch	February 6, 1996
Director	/s/ Bettye Martin Musham Bettye Martin Musham	February 6, 1996
Director	/s/ Robert N. Rasmus Robert N. Rasmus	February 6, 1996
Director	/s/ Jack F. Reichert Jack F. Reichert	February 6, 1996
Director	/s/ Kenneth Roman Kenneth Roman	February 6, 1996
Director	/s/ Roger W. Schipke Roger W. Schipke	February 6, 1996

Exhibit 24.1

Power of Attorney

I, Thomas K. Erwin, do hereby nominate, constitute and appoint Peter B. Hamilton and Dianne M. Yaconetti and each of them individually, the true and lawful attorney or attorneys of the undersigned, with power to act with or without the other and with full power of substitution and resubstitution, to execute in the name and on behalf of the undersigned as Controller and Principal Accounting Officer of Brunswick Corporation, a Delaware corporation (the "Company"), the Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 1995 and any and all amendments thereto; and I hereby ratify and approve all that said attorneys or any of them shall do or cause to be done by virtue hereof.

In witness whereof, I have executed this Power of Attorney in one or more counterparts on March 5, 1996.

/s/ Thomas K. Erwin
Thomas K. Erwin

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