



**BRP INC.**

**NOTICE OF  
ANNUAL MEETING OF SHAREHOLDERS  
AND  
MANAGEMENT PROXY CIRCULAR**

**Annual meeting of shareholders will be held  
at 11:00 a.m. (Eastern time)  
on June 11, 2015 at the Laurent Beaudoin Design & Innovation Centre**

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**Letter from the Chairman of the Board of Directors and  
the President and Chief Executive Officer**

April 27, 2015

Dear Shareholders:

January 31 marked the end of BRP's second fiscal year since the company became public in May 2013. Although this second year was more complex than we anticipated, we still succeeded in increasing our revenues by 10% compared to prior year and reporting a record normalized net income thanks to the effort and engagement of our 7,600 employees.

As shareholders of our company, you are cordially invited to attend the annual meeting of shareholders of BRP Inc. on June 11, 2015 at 11 a.m. EDT, at the Laurent Beaudoin Design & Innovation Centre, 754 St-Joseph Street, Valcourt, Québec, J0E 2L0.

The enclosed notice of the annual meeting of shareholders and management proxy circular provides information on all matters to be acted upon by the shareholders, including information on directors nominated for election and the appointment of the Company's auditors. The management proxy circular also provides information on our corporate governance system and compensation of our senior management.

For more information about the activities offered prior to the meeting and the shuttle service to Valcourt, please visit our website at [brp.com](http://brp.com). Select the Event Calendar tab in the Investor Relations section.

Your vote and participation are very important to us. As holders of our shares, please take the time to review the management proxy circular and accompanying materials and provide your vote on the business items of the meeting. If you are unable to attend the meeting in person, we encourage you to vote your shares via the internet or by phone. You can also vote your shares by signing, dating and returning the enclosed proxy card.

On behalf of the Board of Directors, we thank you for your support.

Sincerely,



Laurent Beaudoin  
Chairman of the Board



José Boisjoli  
President and Chief Executive Officer



**BRP INC.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual meeting (the “Meeting”) of the holders of subordinate voting shares (the “Subordinate Voting Shares”) and multiple voting shares (the “Multiple Voting Shares” and, together with the Subordinate Voting Shares, the “Shares”) of BRP Inc. (the “Company”) will be held at 11:00 a.m. (Eastern time) on June 11, 2015 at the Laurent Beaudoin Design & Innovation Centre, 754 St-Joseph Street, Valcourt, Québec, J0E 2L0, to consider and take action on the following matters:

- (1) to receive the consolidated financial statements of the Company for the fiscal year ended January 31, 2015, together with the notes thereto and the independent auditor’s report thereon;
- (2) to elect the directors of the Company who will serve until the next annual meeting of shareholders or until their successors are elected or appointed;
- (3) to appoint the auditor of the Company; and
- (4) to transact such other business as may properly be brought before the Meeting or any postponement or adjournment thereof.

**As a shareholder of the Company, it is very important that you read this material carefully and then vote your Shares, either by proxy or in person at the Meeting.**

The accompanying management proxy circular of the Company dated April 27, 2015 provides additional information relating to the matters to be dealt with at the Meeting. Also enclosed is a form of proxy for the Meeting.

The consolidated financial statements of the Company for the fiscal year ended January 31, 2015, together with the notes thereto, the independent auditor’s report thereon and the related management’s discussion and analysis are available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company’s board of directors has fixed the close of business on April 27, 2015 as the record date for determining shareholders entitled to receive notice of, and to vote at, the Meeting, or any postponement or adjournment thereof. No person who becomes a shareholder of record after that time will be entitled to vote at the Meeting or any postponement or adjournment thereof.

**A shareholder who is unable to be present at the Meeting and who wishes to appoint some other person (who need not be a shareholder) to represent him or her at the Meeting may do so by inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy, and, in either case, by returning the completed form of proxy in the pre-addressed return envelope provided for that purpose to Computershare Investor Services Inc. no later than 4:00 p.m. (Eastern time) on June 9, 2015, or if the Meeting is postponed or adjourned, by no later than 48 hours prior to the time of such postponed or adjourned meeting (excluding Saturdays, Sundays and holidays). Shareholders who have voted by proxy may still attend the Meeting.**

Shareholders are invited to attend the Meeting as there will be an opportunity to ask questions and meet with management of the Company. At the Meeting, the Company will also report on its business results for the fiscal year ended January 31, 2015.

Dated at Valcourt, Québec, this 27<sup>th</sup> day of April, 2015.

By order of the board of directors,

A handwritten signature in black ink, appearing to be 'M. Langelier', written in a cursive style.

Martin Langelier  
Senior Vice President, General Counsel and Public Affairs

BRP INC.

MANAGEMENT PROXY CIRCULAR

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## GENERAL INFORMATION

This management proxy circular (the “Circular”) is furnished in connection with the solicitation by management of BRP Inc. (the “Company”) of proxies for use at the annual meeting of shareholders of the Company (the “Meeting”) to be held on June 11, 2015 at 11:00 a.m. (Eastern time) at the Laurent Beaudoin Design & Innovation Centre, 754 St-Joseph Street, Valcourt, Québec, J0E 2L0, or any postponements or adjournments thereof, for the purposes set forth in the accompanying notice of annual meeting of shareholders (the “Notice of Meeting”).

Unless otherwise noted or the context otherwise requires, all information provided in this Circular is given as at April 27, 2015 and references to the “Company” and “BRP” refer to BRP Inc., its direct and indirect subsidiaries, predecessors and other entities controlled by them. Unless otherwise indicated, all references to “\$” or “dollars” in this Circular refer to Canadian dollars.

No person has been authorized to give any information or to make any representation in connection with any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

### Forward-Looking Statements

Certain statements in this Circular constitute forward-looking statements. The words “scheduled”, “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indications”, “anticipates”, “believes”, “estimates”, “predicts”, “likely” or “potential” or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct or that the Company’s business guidance, objectives, plans and strategic priorities will be achieved.

Many factors could cause the Company’s actual results or affairs to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors discussed in the “Risk Factors” section of the Company’s annual information form dated March 27, 2015, in respect of the fiscal year ended January 31, 2015 (“**Fiscal 2015**”), which are incorporated by reference in this cautionary statement. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully. The forward-looking statements contained in this Circular are made as of the date of this Circular, and the Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities regulations. The forward-looking statements contained in this Circular are expressly qualified by this cautionary statement.

### Voting Information

The following questions and answers provide guidance on how to vote your subordinate voting shares (the “**Subordinate Voting Shares**”) and/or multiple voting shares (the “**Multiple Voting Shares**”) and, together with the Subordinate Voting Shares, the “**Shares**”) of the Company.



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***Who is soliciting my proxy?***

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Management of the Company is soliciting your proxy. It is expected that the solicitation will be made primarily by mail but proxies may also be solicited by telephone, over the Internet, in writing or in person, by directors, officers or employees of the Company and its subsidiaries who will receive no other compensation therefor other than their regular remuneration. The Company may also reimburse brokers and other persons holding Shares in their name or in the name of nominees for the costs incurred in sending proxy materials to their principals in order to obtain their proxies. Such costs are expected to be nominal.

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***Who can vote?***

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Only persons registered as holders of Subordinate Voting Shares and/or Multiple Voting Shares on the books of the Company as of the close of business on April 27, 2015 (the “**Record Date**”) are entitled to receive notice of, and to vote, at the Meeting or any postponement or adjournment thereof, and no person becoming a shareholder after the Record Date shall be entitled to receive notice of, and to vote, at the Meeting or any postponement or adjournment thereof. The failure of any shareholder to receive notice of the Meeting does not deprive the shareholder of the right to vote at the Meeting.

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***What will I be voting on?***

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Holders of Shares will be voting:

- to elect the directors of the Company who will serve until the next annual meeting of shareholders or until their successors are elected or appointed (see page 13);
- to appoint the auditor of the Company (see page 28); and
- to transact such other business as may properly be brought before the Meeting or any postponement or adjournment thereof.

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***How will these matters be decided at the Meeting?***

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A simple majority of the votes cast, in person or by proxy, will constitute approval of each of the matters specified in this Circular.

For details regarding the Company’s majority voting policy with respect to the election of directors, see “Disclosure of Corporate Governance Practices - Majority Voting Policy”.

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***What is the necessary quorum for the Meeting?***

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A quorum of shareholders is present at a meeting of shareholders if the holders of not less than twenty-five percent (25%) of the shares entitled to vote at the meeting are present in person or represented by proxy, and at least two persons entitled to vote at the meeting are actually present at the meeting.

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***How many votes do I have?***

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The Subordinate Voting Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws in that they do not carry equal voting rights.

**Each Multiple Voting Share carries the right to six votes and each Subordinate Voting Share carries the right to one vote.** In the aggregate, all of the voting rights associated with the



Subordinate Voting Shares represented, as at April 27, 2015, 7.7% of the voting rights attached to all of the issued and outstanding Shares.

The Subordinate Voting Shares are not convertible into any other class of shares. Each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share. Upon the first date that any Multiple Voting Share shall be held other than by a Permitted Holder (as such term is defined in the Company's articles), such holder, without any further action, shall automatically be deemed to have exercised his, her or its rights to convert all of the Multiple Voting Shares held by such holder into fully paid and non-assessable Subordinate Voting Shares, on a share for share basis.

In addition, all Multiple Voting Shares, regardless of the holder thereof, will convert automatically into Subordinate Voting Shares at such time as Permitted Holders that hold Multiple Voting Shares no longer hold and own, collectively, directly or indirectly, more than 15% of the beneficial ownership interests in the aggregate number of outstanding Multiple Voting Shares and Subordinate Voting Shares (it being understood that the number of Multiple Voting Shares shall be added to the number of Subordinate Voting Shares for the purposes of such calculation).

Under applicable Canadian law, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares. In accordance with the rules of the Toronto Stock Exchange (the "TSX") designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares, Beaudier Inc. ("**Beaudier**"), 433618 Canada Inc. ("**433618**") and, together with Beaudier, the "**Beaudier Group**", Bain Capital Luxembourg Investments S.à.r.l. ("**Bain**") and Caisse de dépôt et placement du Québec ("**CDPQ**") and, together with Beaudier Group and Bain, the "**Principal Shareholders**", as the holders of all the outstanding Multiple Voting Shares, entered into a coattail agreement dated May 29, 2013 with the Company and Computershare Trust Company of Canada (the "**Coattail Agreement**"). The Coattail Agreement contains provisions customary for dual class, TSX listed companies designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares. Additional information relating to the Coattail Agreement can be found in the Company's annual information form available on SEDAR at [www.sedar.com](http://www.sedar.com).

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### ***Who can I call with questions?***

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If you have questions about the information contained in this Circular or require assistance in completing your form of proxy, please contact Computershare Investor Services Inc. ("**Computershare**"), the Company's transfer agent, toll-free at 1-800-564-6253, or by mail at:

**Computershare Investor Services Inc.**  
100 University Avenue  
8<sup>th</sup> Floor  
Toronto, Ontario M5J 2Y1

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### ***How do I vote?***

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- If you are eligible to vote and you are registered as a shareholder on the books of the Company as of the close of business on the Record Date, you can vote your Shares in person at the Meeting or by proxy, as explained below.
- If your Shares are held in the name of a depository or a nominee such as a trustee, financial institution or securities broker, please see the instructions below under "How do I vote if I am a non-registered shareholder?" (see page 10).



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**How do I vote if I am a registered shareholder?**

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**1. Voting in person**

If you wish to vote in person, you may present yourself to a representative of Computershare at the registration table at the Meeting. Your vote will be taken and counted at the Meeting.

**2. Voting by proxy**

**Whether or not you attend the Meeting, you may appoint someone else to vote for you as your proxyholder. Your vote will thus be counted at the Meeting. You may use the enclosed form of proxy, or any other proper form of proxy, in order to appoint your proxyholder. The persons named in the enclosed form of proxy, namely Messrs. José Boisjoli and Martin Langelier, are respectively President and Chief Executive Officer, and Senior Vice President, General Counsel and Public Affairs, of the Company. However, you may choose another person to act as your proxyholder, including someone who is not a holder of Shares of the Company, by inserting another person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy.**

Registered shareholders may vote by proxy as follows: by mail or fax, by telephone or over the Internet.

Submitting a proxy by mail or fax or over the Internet are the only methods by which a registered shareholder may appoint a person other than the members of the management of the Company named on the form of proxy as proxyholder.

*Mail or Fax*

Registered shareholders electing to submit a proxy by mail or fax must complete, date and sign the form of proxy. It must then be returned to the Company's transfer agent, Computershare, either in the postage pre-paid return envelope provided or by fax at 1-866-249-7775 (for shareholders in Canada and in the United States) or at (416) 263-9524 (for shareholders outside Canada and the United States), no later than 4:00 p.m. (Eastern time) on June 9, 2015.

*Telephone*

Registered shareholders electing to submit a proxy by telephone must do so by using a touchtone telephone. The telephone number to call for shareholders in Canada and in the United States is 1-866-732-VOTE (8683). For shareholders outside Canada and the United States, the telephone number to call is 312-588-4290. Shareholders must follow the instructions, use the form of proxy received from the Company and provide the 15-digit control number located on the form of proxy. Instructions are then conveyed by use of the touchtone selections over the telephone.

*Internet*

Registered shareholders electing to submit a proxy over the Internet must access the following website: [www.investorvote.com](http://www.investorvote.com).

Registered shareholders must then follow the instructions and refer to the form of proxy received from the Company which contains a 15-digit control number located on the form of proxy. Voting instructions are then conveyed electronically by the shareholder over the Internet.

Non-registered shareholders will be provided with voting instructions by their nominees. Please see further instructions below under the heading "How do I vote if I am a non-registered shareholder?" (see page 10).



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***How will my proxyholder vote?***

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On the form of proxy, you may indicate either how you want your proxyholder to vote your Shares, or you can let your proxyholder decide for you.

If you have specified on the form of proxy how you want your Shares to be voted on a particular issue (by marking **FOR** or **WITHHOLD**), then your proxyholder must vote your Shares accordingly.

If you have not specified on the form of proxy how you want your Shares to be voted on a particular issue, then your proxyholder can vote your Shares as he or she sees fit.

**Unless contrary instructions are provided, the voting rights attached to Multiple Voting Shares and/or Subordinate Voting Shares represented by proxies received by the management of the Company will be voted:**

- **FOR the election of all the nominees proposed as directors; and**
- **FOR the appointment of Deloitte LLP as auditor of the Company.**

***What if there are amendments or if other matters are brought before the Meeting?***

The enclosed form of proxy gives the persons named in it authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting.

As of the date of this Circular, the management of the Company is not aware of any other matter to be presented at the Meeting. If, however, other matters properly come before the Meeting, the persons named in the enclosed form of proxy will vote on them in accordance with their judgment, pursuant to the discretionary authority conferred upon them by the form of proxy with respect to such matters.

***What if I change my mind and want to revoke my proxy?***

You may revoke your proxy at any time before it is acted upon in any manner permitted by law, including stating clearly, in writing, that you wish to revoke your proxy and by delivering this written statement to Computershare, no later than the last business day before the day of the Meeting, or to the Chairman of the Meeting on the day of the Meeting or any postponement or adjournment thereof.

***Who counts the proxies?***

Proxies are counted by Computershare, the Company's transfer agent.

***Is my vote confidential?***

Computershare preserves the confidentiality of individual shareholder votes, except (i) where a shareholder clearly intends to communicate his or her individual position to the management of the Company, and (ii) as necessary in order to comply with legal requirements.

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***How do I vote if I am a non-registered shareholder?***

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In many cases, Shares beneficially owned by a shareholder (a "**non-registered shareholder**") are registered in the name of a depositary or a nominee such as a trustee, financial institution or securities broker. For example, Shares listed in an account statement provided by the broker of a shareholder, are, in all likelihood, not registered in the shareholder's name. If you are a non-registered shareholder, you can vote your Shares in person at the Meeting or by giving your voting instructions, as explained below.



### ***Voting in person***

BRP and/or Computershare do not have a record of the names of the non-registered shareholders of the Company.

If you are a non-registered shareholder and you attend the Meeting, BRP and/or Computershare will have no knowledge of your shareholdings or your entitlement to vote, unless your nominee has appointed you as proxyholder.

If you are a non-registered shareholder and wish to vote in person at the Meeting, you have to insert your own name in the space provided on the form of proxy or voting instruction form sent to you by your nominee. By doing so, you are instructing your nominee to appoint you as proxyholder.

It is important that you comply with the signature and return instructions provided by your nominee. It is not necessary to otherwise complete the form of proxy or voting instruction form as you will be voting at the Meeting.

### ***Giving voting instructions***

Applicable securities laws and regulations require nominees of non-registered shareholders to seek the latter's voting instructions in advance of the Meeting. Therefore, unless you have previously informed your nominee that you do not wish to receive material relating to shareholders' meetings, you will have received this Circular in a mailing from your nominee, together with a form of proxy or voting instruction form, as the case may be.

The Company does not send proxy-related materials directly to non-registered shareholders and is not relying on the notice-and-access provisions of securities laws for delivery to either registered or non-registered shareholders.

BRP intends to pay for proximate intermediaries to send the proxy-related materials to objecting beneficial owners.

Each nominee has its own signature and return instructions. It is important that you comply with these instructions if you want the voting rights attached to your Shares to be exercised.

If you are a non-registered shareholder who has submitted a proxy and you wish to change your voting instructions, you should contact your nominee to find out whether this is possible and what procedure to follow.

### **Voting Shares Outstanding and Principal Shareholders**

The Company's authorized share capital consists of an unlimited number of Multiple Voting Shares and Subordinate Voting Shares and an unlimited number of preferred shares issuable in series. As of April 27, 2015, there were 39,390,211 Subordinate Voting Shares and 79,023,344 Multiple Voting Shares issued and outstanding, and no preferred shares were issued and outstanding. Under the Company's articles, each Subordinate Voting Share carries the right to one vote and each Multiple Voting Shares carries the right to six votes.

The following table discloses the names of the persons or companies who, to the knowledge of the Company, as of April 27, 2015, beneficially owned, or controlled or directed, directly or indirectly, more than 10% of any class or series of the voting securities of the Company:



Name	Number of Multiple Voting Shares Owned	Percentage of Outstanding Multiple Voting Shares	Number of Subordinate Voting Shares Owned	Percentage of Outstanding Subordinate Voting Shares	Percentage of Outstanding Shares	Percentage of Total Voting Power
Bain <sup>(1)</sup>	31,744,393	40.2%	—	—	26.8%	37.1%
Beaudier Group						
Beaudier <sup>(2)</sup>	24,743,163	31.3%	—	—	20.9%	28.9%
4338618 <sup>(3)</sup>	16,494,313	20.9%	—	—	13.9%	19.3%
Invesco Canada Ltd. <sup>(4)</sup>	—	—	4,340,737	11.0%	3.7%	0.8%

(1) Represents shares held by Bain, which is owned by Bain Capital International Investments, S.à r.l., which in turn is owned by Bain Capital International Holdings, S.à r.l., which in turn is owned by Bain Capital Integral Investors II, L.P. (“Integral”). Bain Capital Investors, LLC (“BCI”) is the general partner of Integral. The governance, investment strategy and decision-making process with respect to investments held by Bain is directed by BCI’s Global Private Equity Board (“GPEB”), which is comprised of the following individuals: Steven Barnes, Joshua Bekenstein, John Connaughton, Paul Edgerley, Stephen Pagliuca, Michel Plantevin, Dwight Poler and Jonathan Zhu. By virtue of the relationships described in this footnote, GPEB may be deemed to exercise voting and dispositive power with respect to the shares held by Bain. Each of the members of GPEB disclaims beneficial ownership of such shares to the extent attributed to such member solely by virtue of serving on GPEB. The address of each of BCI and Integral is c/o Bain Capital Investors, LLC, John Hancock Tower, 200 Clarendon Street, Boston, MA 02116.

(2) Beaudier is a portfolio holding company of the Beaudoin family and is controlled by Mr. Laurent Beaudoin, Chair of the Board of Directors, and his wife Mrs. Claire Bombardier Beaudoin, through holding companies which they control.

(3) 4338618 is a portfolio holding company which is owned by Mrs. Janine Bombardier, Mrs. Huguette B. Fontaine and Mr. J.R. André Bombardier, through respective holding companies which they control and, in the case of Mrs. Janine Bombardier, a trust to her benefit and the benefit of her issue. Mr. J.R. André Bombardier is a director of the Company.

(4) Based upon an alternative monthly report dated March 5, 2015.



## BUSINESS OF THE MEETING

As part of the business set out in the Notice of Meeting, the consolidated financial statements of the Company for Fiscal 2015, together with the notes thereto and the independent auditor's report thereon, will be placed before shareholders by the Company and shareholders will be asked to consider and vote on:

- the election of the directors of the Company who will serve until the next annual meeting of shareholders or until their successors are elected or appointed;
- the appointment of the auditor of the Company; and
- such other business as may properly be brought before the Meeting or any adjournment thereof.

The consolidated financial statements of the Company for Fiscal 2015, together with the notes thereto and the independent auditor's report thereon, will be submitted at the Meeting, but no vote thereon is required or expected. These consolidated financial statements, together with the related management's discussion and analysis, are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Election of Directors

The Company's articles provide that its board of directors (the "**Board of Directors**") shall consist of not less than three (3) and not more than fifteen (15) directors. The Company's directors are elected annually at the annual meeting of shareholders, except that the Board of Directors can appoint directors in certain circumstances between annual meetings. Each director is expected to hold office until the next annual meeting of shareholders or until his or her successor is elected or appointed.

The Board of Directors is currently comprised of thirteen (13) directors and it is proposed that thirteen (13) directors be elected at the Meeting. The persons identified in the section "Nominees for Election to the Board of Directors" will be nominated for election as directors at the Meeting. All such nominees are presently directors of the Company. Shareholders may vote for each proposed director nominee individually.

Pursuant to the nomination rights agreement entered into on May 29, 2013 between the Company and the Principal Shareholders (the "**Nomination Rights Agreement**"), each of Bain, Beaudier Group and CDPQ was entitled to designate four, three and one member(s) of the Board of Directors, respectively. The member(s) of the Board of Directors so designated were Joshua Bekenstein, Yvonne Hao, Nicholas Nomicos and Joseph Robbins for Bain, Laurent Beaudoin, J.R. André Bombardier and Louis Laporte for the Beaudier Group, and Luc Houle for CDPQ, who has been replaced as CDPQ's nominees to the Board of Directors by Ms. Estelle Métayer since June 12, 2014.

As a result of the sale of Subordinate Voting Shares following the closing of the Company's initial public offering on May 29, 2013 (the "**IPO**"), Bain is now only entitled to designate three members of the Board of Directors as it now holds less than 75% of the number of Multiple Voting Shares it held upon closing of the Company's IPO. The human resources, nomination and governance committee of the Board of Directors (the "**Human Resources, Nomination and Governance Committee**" or the "**HRNGC**") is in the process of identifying a candidate to replace one of the members of the Board of Directors designated by Bain. For purposes of identifying a replacement director who possesses skills which are complementary to those of the current directors, the HRNGC considers, among other things, what competencies and skills the Board of Directors as a whole should possess, the competencies and skills each existing director currently possesses, as well as the diversity of the Board of Directors. Once the replacement director is identified, one of the current directors designated by Bain will resign and such



replacement director will be appointed as an independent member of the Board of Directors. See “Disclosure of Corporate Governance Practices — Nomination Rights Agreement”.

**Unless a proxy specifies that the Shares it represents should be withheld from voting in respect of the election of one or more directors or voted in accordance with the specification in the proxy, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the nominees listed in this Circular.**

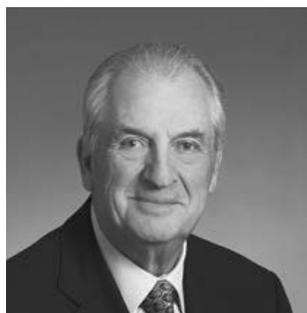
Management of the Company does not expect that any of the nominees will be unable, or for any reason, will become unwilling, to stand for election as director at the Meeting. However, if, for any reason, at or before the time of the Meeting, any of the nominees becomes unable to serve and unless otherwise specified, it is intended that the persons designated in the form of proxy will vote in their discretion for a substitute nominee or nominees.



## Description of Proposed Director Nominees

### LAURENT BEAUDOIN

### Chairman of the Board of Directors



Mr. Beaudoin is Chair of the Board of Directors since December 2003. Mr. Beaudoin, who was the Chief Executive Officer and Chairman of Bombardier Inc. since 1966, handed over his responsibilities as Chief Executive Officer in June 2008, and remained Chairman of the Board of Directors of Bombardier Inc. until he stepped down in February 2015. He remains a director and was awarded the title of Chairman Emeritus. He joined Bombardier Inc. in 1963 as Comptroller. From 2002 to 2012, he has been a member of the International Business Council of the World Economic Forum based in Geneva, Switzerland. Since October 2010, he has been President of FIRST Robotics Quebec. Mr. Beaudoin is also President of Beaudier Inc., a holder of Multiple Voting Share. Mr. Beaudoin holds honorary doctorates from various universities and he received many awards and honours as a business leader, including Canada's Outstanding CEO of the Year by the Financial Post. He is a Chartered Accountant and a Fellow of the *Ordre des comptables agréés du Québec*.

Age: 76

Québec, Canada

**Not independent<sup>(1)</sup>**

Director since 2003

#### 2014 Voting Results

For: 97.33%

Withheld: 2.66%

Board/Committee Membership	Attendance		Other Public Board Membership	
Board of Directors <sup>(2)</sup>	8/8	100%	<u>Entity</u>	<u>Since</u>
	<b>Total:</b>	<b>100%</b>	Bombardier Inc.	1975

#### Value of Total Compensation Received as Director<sup>(3)</sup>

Fiscal 2015: Nil

#### Securities Held as of January 31, 2015

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares (\$)	Multiple Voting Shares <sup>(4)</sup> (#)	Market Value of Multiple Voting Shares <sup>(5)</sup> (\$)	Options (#)	Value of Vested In-the-Money Options (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units (\$)	Total Market Value of Securities Held <sup>(5)</sup> (\$)
-	-	24,743,163	541,875,269.70	-	-	-	-	541,875,269.70

#### Notes

- (1) Mr. Beaudoin is not considered independent as he is part of the management of Beaudier, a Principal Shareholder.
- (2) Mr. Beaudoin is the Chairman of the Board.
- (3) No compensation is paid to directors who are not independent.
- (4) These Multiple Voting Shares are held by Beaudier, a portfolio holding company of the Beaudoin family controlled by Mr. Laurent Beaudoin and his wife Mrs. Claire Bombardier Beaudoin, through holding companies which they control. For details regarding Beaudier's ownership of voting securities of the Company, see "General Information - Voting Shares Outstanding and Principal Shareholders".
- (5) Based on the closing price of the Subordinate Voting Shares on the TSX (\$21.90) on January 30, 2015, being the last trading day before the end of Fiscal 2015.



**JOSHUA BEKENSTEIN****Director**

Age: 56

Massachusetts, U.S.A.

**Not independent<sup>(1)</sup>**

Director since 2003

**2014 Voting Results**

For: 97.31%

Withheld: 2.69%

Mr. Bekenstein is a Managing Director at Bain Capital Partners, LLC (a private equity fund). Prior to joining Bain Capital Partners, LLC in 1984, Mr. Bekenstein spent several years at Bain & Company, Inc., where he was involved with companies in a variety of industries. Mr. Bekenstein is a member of the board of directors, the Chair of the Human Resources and Compensation Committee and a member of the Nominating and Governance Committee of Dollarama Inc. He also serves as a director of several other corporations, including Bob's Discount Furniture, Bright Horizons Family Solutions Inc., Burlington Stores, Inc., Canada Goose Inc., The Gymboree Corporation, The Michaels Companies, Inc., Toys "R" Us, Inc. and Waters Corporation, and sits on the compensation committee of several of those corporations. Mr. Bekenstein received a Bachelor of Arts from Yale University and a Master of Business Administration (MBA) from Harvard Business School.

Board/Committee Membership	Attendance	Other Public Board Membership
Board of Directors	6/8 75%	<b>Entity</b> <b>Since</b>
Human Resources, Nomination and Governance Committee <sup>(2)</sup>	6/6 100%	Bright Horizons Family Solutions Inc. 2013
	<b>Total: 86%</b>	Burlington Stores, Inc. 2013
		Dollarama Inc. 2009
		The Michaels Companies, Inc. 2006
		Waters Corporation 1994

**Value of Total Compensation Received as Director<sup>(3)</sup>**

Fiscal 2015: Nil

**Securities Held as of January 31, 2015<sup>(4)</sup>**

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares (\$)	Multiple Voting Shares (#)	Market Value of Multiple Voting Shares (\$)	Options (#)	Value of Vested In-the-Money Options (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units (\$)	Total Market Value of Securities Held (\$)
-	-	-	-	-	-	-	-	-

**Notes**

- (1) Mr. Bekenstein is not considered independent because of his relationship with BCI. For details regarding BCI, see "General Information – Voting Shares Outstanding and Principal Shareholders".
- (2) Mr. Bekenstein is the Chairman of the Human Resources, Nomination and Governance Committee.
- (3) No compensation is paid to directors who are not independent.
- (4) Mr. Bekenstein does not personally own any voting securities of the Company. Mr. Bekenstein is a Managing Director of BCI and a member of GPEB and as a result may be deemed to share beneficial ownership of the shares held by Bain. For details regarding BCI and Bain's ownership of voting securities of the Company, see "General Information – Voting Shares Outstanding and Principal Shareholders".



**JOSÉ BOISJOLI****Director, President and Chief Executive Officer**

Age: 57

Québec, Canada

**Not independent<sup>(1)</sup>**

Director since 2011

**2014 Voting Results**

For: 97.39%

Withheld: 2.61%

Mr. Boisjoli is President and Chief Executive Officer of BRP since December 2003, when BRP became a standalone company. In October 1998, Mr. Boisjoli was named President of the Snowmobile and Watercraft division, the largest division of Bombardier Recreational Products Inc. In April 2001, he was given the added responsibility of managing the ATV division. Mr. Boisjoli joined Bombardier Recreational Products Inc. in 1989, after eight years in the pharmaceutical and road safety equipment industries. Mr. Boisjoli received a Bachelor of Engineering from the Université de Sherbrooke. In April 2005, Mr. Boisjoli received the prestigious title of Executive of the Year by Powersports Magazine, the most important powersports magazine in the United States.

Board/Committee Membership	Attendance		Other Public Board Membership	
Board of Directors	8/8	100%	<u>Entity</u>	<u>Since</u>
Investment and Risk Committee	10/10	100%	N/A	N/A
		<b>Total:</b>	<b>100%</b>	

**Value of Total Compensation Received as Director<sup>(2)</sup>**

Fiscal 2015: Nil

**Securities Held as of January 31, 2015**

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares <sup>(3)</sup> (\$)	Multiple Voting Shares (#)	Market Value of Multiple Voting Shares (\$)	Options (#)	Value of Vested In-the-Money Options <sup>(3)</sup> (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units (\$)	Total Market Value of Securities Held <sup>(3)</sup> (\$)
1,012,350	22,170,465.00	-	-	501,100	27,150.00	-	-	22,197,615.00

**Notes**

- (1) Mr. Boisjoli is not independent as he is President and Chief Executive Officer of the Company.
- (2) No compensation is paid to directors who are not independent.
- (3) Based on the closing price of the Subordinate Voting Shares on the TSX (\$21.90) on January 30, 2015, being the last trading day before the end of Fiscal 2015.



**J.R. ANDRÉ BOMBARDIER****Director**

Mr. Bombardier is the Vice Chairman of Bombardier Inc., a position he has held since 1978. He joined Bombardier Inc. in 1969 as Vice President, Industrial Division, and then successively held the positions of Vice President, Research and Development, Ski-Doo Division; Assistant to the President in charge of new products, Vice President of Marketing, Marine Products Division, and President of the Roski Ltd. subsidiary, before taking the position he now holds. Mr. Bombardier is also President of 4338618 Canada Inc., a holder of Multiple Voting Share. Mr. Bombardier holds a Bachelor of Arts from the *Séminaire de Sherbrooke* as well as a Bachelor of Commerce with a major in Finance from the *Université de Sherbrooke*. He is also a graduate of the Harvard International Senior Managers Program. He is the brother-in-law of Chairman Laurent Beaudoin.

Age: 72

Québec, Canada

**Not independent<sup>(1)</sup>**

Director since 2003

**2014 Voting Results**

For: 96.92%

Withheld 3.08%

Board/Committee Membership	Attendance	Other Public Board Membership
Board of Directors	8/8 100%	<u>Entity</u> <u>Since</u>
	<b>Total: 100%</b>	Bombardier Inc. 1975

**Value of Total Compensation Received as Director<sup>(2)</sup>**

Fiscal 2015: Nil

**Securities Held as of January 31, 2015**

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares (\$)	Multiple Voting Shares <sup>(3)</sup> (#)	Market Value of Multiple Voting Shares <sup>(4)</sup> (\$)	Options (#)	Value of Vested In-the-Money Options (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units (\$)	Total Market Value of Securities Held <sup>(4)</sup> (\$)
-	-	5,498,104	120,408,477.60	-	-	-	-	120,408,477.60

**Notes**

- (1) Mr. Bombardier is not considered independent as he is part of the management of 4338618, a Principal Shareholder.
- (2) No compensation is paid to directors who are not independent.
- (3) These Multiple Voting Shares are held by 4338618, a portfolio holding company which is owned by Mrs. Janine Bombardier, Mrs. Huguette B. Fontaine and Mr. J.R. André Bombardier, through respective holding companies which they control and, in the case of Mrs. Janine Bombardier, a trust to her benefit and the benefit of her issue. For details, see "General Information – Voting Shares Outstanding and Principal Shareholders".
- (4) Based on the closing price of the Subordinate Voting Shares on the TSX (\$21.90) on January 30, 2015, being the last trading day before the end of Fiscal 2015.



**MICHAEL HANLEY****Director**

Age: 49

Québec, Canada

**Independent**

Director since 2012

**2014 Voting Results**

For: 99.96%

Withheld: 0.04%

Mr. Hanley is a corporate director with many years of experience in senior management roles and corporate governance. Between 2009 and 2011, Mr. Hanley was Senior Vice-President, Operations and Strategy Initiatives and a member of the Office of the President at National Bank of Canada. Prior to this, he spent ten years with Alcan Inc. in positions that included President and Chief Executive Officer of the global Bauxite and Alumina business and Executive Vice-President and Chief Financial Officer at the time of Alcan Inc.'s acquisition by Rio Tinto plc. Mr. Hanley also held the positions of Chief Financial Officer at two publicly traded Canadian companies, St-Laurent Paperboard Inc from 1995-1997, and Gaz Metro from 1997-1998. He has worked as an external auditor with a large international accounting firm, and as an internal auditor with CP Forest Products Ltd. As an independent director with First Quantum Minerals Ltd, Mr. Hanley sits on the Audit Committee and chairs the Funding Committee. He has a Bachelor of Business Administration and Accounting from HEC Montréal, and is a member of the Québec Order of Chartered Accountants (CPA, CA) since 1987.

Board/Committee Membership	Attendance	Other Public Board Membership
Board of Directors	8/8 100%	<u>Entity</u> <u>Since</u>
Audit Committee <sup>(1)</sup>	5/5 100%	First Quantum Minerals Ltd. 2012
Human Resources, Nomination and Governance Committee	6/6 100%	
<b>Total: 100%</b>		

**Value of Total Compensation Received as Director**Fiscal 2015: \$175,000<sup>(2)</sup>**Securities Held as of January 31, 2015**

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares <sup>(3)</sup> (\$)	Multiple Voting Shares (#)	Market Value of Multiple Voting Shares (\$)	Options (#)	Value of Vested In-the-Money Options (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units <sup>(3)</sup> (\$)	Total Market Value of Securities Held <sup>(3)</sup> (\$)
43,862	960,577.80	-	-	-	-	6,625	145,087.50	1,105,665.30

**Notes**

- (1) Mr. Hanley is the Chairman of the Audit Committee.
- (2) For a complete itemization of the compensation, please see "Compensation of Directors".
- (3) Based on the closing price of the Subordinate Voting Shares on the TSX (\$21.90) on January 30, 2015, being the last trading day before the end of Fiscal 2015.



**YVONNE HAO**

**Director**



Ms. Hao joined Bain Capital Partners, LLC (a private equity fund) in 2008 and is an Operating Partner in the North American Private Equity Portfolio Group. In this role, she has worked with several portfolio companies, and has held interim Chief Executive Officer and Chief Operating Officer operating roles. Prior to joining Bain Capital Partners, LLC, Ms. Hao held several roles at Honeywell International Inc., including VP/GM of the ADI NA division, VP Global Marketing, and Director of Corporate Strategy. In addition, Ms. Hao was an Associate Partner at McKinsey & Company, and focused on growth projects. Ms. Hao is also a director of The Gymboree Corporation. She holds a Master of Philosophy in Development Economics from Cambridge University, England and a Bachelor of Arts in Economics and Asian Studies from Williams College (highest honors).

Age: 40

Massachusetts, U.S.A.

**Not independent<sup>(1)</sup>**

Director since 2013

**2014 Voting Results**

For: 96.92%

Withheld: 3.08%

Board/Committee Membership	Attendance		Other Public Board Membership	
			<u>Entity</u>	<u>Since</u>
Board of Directors	8/8	100%		
Investment and Risk Committee	10/10	100%	N/A	N/A
	<b>Total:</b>	<b>100%</b>		

**Value of Total Compensation Received as Director<sup>(2)</sup>**

Fiscal 2015: Nil

**Securities Held as of January 31, 2015**

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares (\$)	Multiple Voting Shares (#)	Market Value of Multiple Voting Shares (\$)	Options (#)	Value of Vested In-the-Money Options (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units (\$)	Total Market Value of Securities Held (\$)
-	-	-	-	-	-	-	-	-

**Notes**

- (1) Ms. Hao is not considered independent because of her relationship with BCI. For details regarding BCI, see “General Information – Voting Shares Outstanding and Principal Shareholders”.
- (2) No compensation is paid to directors who are not independent.



**LOUIS LAPORTE**

**Director**



Age: 54

Québec, Canada

**Not independent<sup>(1)</sup>**

Director since 2013

**2014 Voting Results**

For: 97.31%

Withheld: 2.69%

Mr. Laporte has been the Executive Vice-President of Beaudier Inc., a private holding company and a holder of Multiple Voting Share, since 2004. Mr. Laporte managed for Beaudier Group the acquisition of the recreational products business of Bombardier Inc. in 2003, and since then provides various consulting and management advisory services to the Company pursuant to the management agreement entered into by the Company and the Beaudier Group, Bain and CDPQ on December 18, 2003, as same was amended and restated effective as of May 29, 2013. Prior to 2003, Mr. Laporte was the owner and operator of a number of privately held companies, such as Dudley Inc., one of Canada's leading lock manufacturers and distributors, and AMT Marine Inc., a manufacturer, subcontractor and supplier of *Sea-Doo* jet boats, where he contributed to the production and participated in the initial design and engineering of the *Sea-Doo* jet boat for BRP. Mr. Laporte is and has been director of several privately-owned companies. Mr. Laporte holds a Bachelor of Accounting Sciences from the *Université du Québec à Montréal* (UQAM) and a Bachelor of Commerce from McGill University. Mr. Laporte is a Chartered Accountant.

Board/Committee Membership	Attendance		Other Public Board Membership	
			Entity	Since
Board of Directors	8/8	100%		
Human Resources, Nomination and Governance Committee	6/6	100%	N/A	N/A
Investment and Risk Committee <sup>(2)</sup>	10/10	100%		
		<b>Total: 100%</b>		

**Value of Total Compensation Received as Director<sup>(3)</sup>**

Fiscal 2015: Nil

**Securities Held as of January 31, 2015<sup>(4)</sup>**

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares (\$)	Multiple Voting Shares (#)	Market Value of Multiple Voting Shares (\$)	Options (#)	Value of Vested In-the-Money Options (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units (\$)	Total Market Value of Securities Held (\$)
-	-	-	-	-	-	-	-	-

**Notes**

- (1) Mr. Laporte is not considered independent as he is part of the management of Beaudier, a Principal Shareholder.
- (2) Mr. Laporte is the Chairman of the Investment and Risk Committee.
- (3) No compensation is paid to directors who are not independent.
- (4) Mr. Louis Laporte does not personally own any voting securities of the Company. For details regarding Beaudier's ownership of voting securities of the Company, see "General Information - Voting Shares Outstanding and Principal Shareholders".



**CARLOS MAZZORIN****Director**

Mr. Mazzorin is a corporate director. Mr. Mazzorin was President and Chief Operating Officer of Magna Electronics and President and Chief Operating Officer of Magna Mirrors both wholly-owned subsidiaries of Magna International Inc. Mr. Mazzorin joined Magna International Inc. in December 2002 after 30 years at Ford Motor Company. At Ford Motor Company, Mr. Mazzorin served as Group Vice-President of Asia Pacific Operations, South America Operations and Global Purchasing and previous to that as Group Vice-President Ford, Mexico Operations and Global Purchasing. He also served in a variety of Supply Management activities with General Motors Co. in Argentina and Cadillac Motor Car Division of General Motors Co. in the United States. He is a member of the board of directors of Gentherm Inc..

Age: 73

Michigan, U.S.A.

**Independent**

Director since 2004

**2014 Voting Results**

For: 99.97%

Withheld: 0.03%

Board/Committee Membership	Attendance		Other Public Board Membership	
			Entity	Since
Board of Directors	8/8	100%		
Audit Committee	5/5	100%	Gentherm Incorporated	2011
Investment and Risk Committee	10/10	100%		
	<b>Total: 100%</b>			

**Value of Total Compensation Received as Director**Fiscal 2015: \$189,019<sup>(1)</sup>**Securities Held as of January 31, 2015**

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares <sup>(2)</sup> (\$)	Multiple Voting Shares (#)	Market Value of Multiple Voting Shares (\$)	Options (#)	Value of Vested In-the-Money Options (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units <sup>(2)</sup> (\$)	Total Market Value of Securities Held <sup>(2)</sup> (\$)
77,025	1,686,847.50	-	-	-	-	6,625	145,087.50	1,831,935.00

**Notes**

- (1) Includes a board cash retainer of U.S.\$50,000 and committees cash retainers of U.S.\$20,000 converted to Canadian dollars using an exchange rate of 1.2717, being the noon rate of exchange posted by the Bank of Canada for conversion of U.S.\$ into Canadian dollars on January 30, 2015. For a complete itemization of the compensation, please see "Compensation of Directors".
- (2) Based on the closing price of the Subordinate Voting Shares on the TSX (\$21.90) on January 30, 2015, being the last trading day before the end of Fiscal 2015.



**ESTELLE MÉTAYER****Director**

Age: 45

Québec, Canada

**Independent**

Director since 2014

**2014 Voting Results**

For: 99.99%

Withheld: 0.01%

Ms. Métayer is a corporate director, public speaker, an adjunct professor at McGill University and is the president of EM Strategy Inc. Ms. Métayer joined the international strategic consulting firm McKinsey & Company (Montreal) as a consultant in 1993 and worked in strategic planning, competitive intelligence and business development at CAE from 1996 to 1998. From 1998 to 2004, Ms. Métayer founded, grew and was president of Competia inc. until the sale of the company in 2004. Ms. Métayer is currently an adjunct professor at McGill University, member of the faculty for the Institute of Canadian Directors and teaches advanced leadership programs, including the “High Performance Boards” program of the IMD Business School (Switzerland), and previously in programs co-led by INSEAD (France) and the Massachusetts Institute of Technology (United States). Since 2012, Ms. Métayer serves as an independent director of Ubisoft Entertainment SA and chairs its compensation committee since 2013. Ms. Métayer has served on the boards of the *Grands Ballets Canadiens* and of World Canada Youth and was the recipient in 2000 of the Arista Sunlife Award for “Entrepreneur of the Year - 2000”. Ms. Métayer is a certified director and member of the *Institut des Administrateurs Français* and is the co-chair of the Québec chapter of Women Corporate Directors. Ms. Métayer was trained in the Netherlands, where she obtained her MBA and Drs. from the University of Nijenrode.

Board/Committee Membership	Attendance	Other Public Board Membership
Board of Directors <sup>(1)</sup>	5/5 100%	<u>Entity</u> <u>Since</u>
Audit Committee <sup>(2)</sup>	1/1 100%	Ubisoft Entertainment SA 2012
<b>Total: 100%</b>		

**Value of Total Compensation Received as Director**Fiscal 2015: \$115,000<sup>(3)</sup>**Securities Held as of January 31, 2015**

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares (\$)	Multiple Voting Shares (#)	Market Value of Multiple Voting Shares (\$)	Options (#)	Value of Vested In-the-Money Options (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units <sup>(4)</sup> (\$)	Total Market Value of Securities Held <sup>(4)</sup> (\$)
-	-	-	-	-	-	3,098	67,846.20	67,846.20

**Notes**

- (1) Reflects attendance to the meetings held after appointment to the Board of Directors on June 12, 2014.
- (2) Reflects attendance to the meetings held after appointment to the Audit Committee on December 11, 2014.
- (3) For a complete itemization of the compensation, please see “Compensation of Directors”.
- (4) Based on the closing price of the Subordinate Voting Shares on the TSX (\$21.90) on January 30, 2015, being the last trading day before the end of Fiscal 2015.



**NICHOLAS NOMICOS**

**Director**



Mr. Nomicos is a Managing Director at Sankaty Advisors, LLC, the credit arm of Bain Capital, LLC, and heads its Portfolio Group. Prior to joining Sankaty Advisors, LLC in 2011, he was an Operating Partner at Bain Capital Partners, LLC where he worked since 1999 in a variety of investments in the manufacturing and consumer product sectors. Previously, Mr. Nomicos was a senior corporate development and manufacturing executive at Oak Industries Inc., and he spent several years at Bain & Company, Inc. where he was a manager. Mr. Nomicos serves as a director of Dollarama Inc.. He received a Master of Business Administration (MBA) from Harvard Business School and a Bachelor of Science in Engineering from Princeton University.

Age: 52

Massachusetts, U.S.A.

**Not independent<sup>(1)</sup>**

Director since 2003

**2014 Voting Results**

For: 97.05%

Withheld: 2.95%

Board/Committee Membership	Attendance	Other Public Board Membership	
Board of Directors	4/8 50%	<u>Entity</u>	<u>Since</u>
	<b>Total: 50%</b>	Dollarama Inc.	2004

**Value of Total Compensation Received as Director<sup>(2)</sup>**

Fiscal 2015: Nil

**Securities Held as of January 31, 2015**

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares (\$)	Multiple Voting Shares (#)	Market Value of Multiple Voting Shares (\$)	Options (#)	Value of Vested In-the-Money Options (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units (\$)	Total Market Value of Securities Held (\$)
-	-	-	-	-	-	-	-	-

**Notes**

- (1) Mr. Nomicos is not considered independent because of his relationship with BCI. For details regarding BCI, see “General Information – Voting Shares Outstanding and Principal Shareholders”.
- (2) No compensation is paid to directors who are not independent.



**DANIEL J. O'NEILL****Director**

Age: 63

Alberta, Canada

**Independent**

Director since 2004

**2014 Voting Results**

For: 99.96%

Withheld: 0.04%

Mr. O'Neill is the President of the O & L Sport Consultant Group, which he founded in January 2013 to provide management expertise to both professional sports organizations and athletes. Mr. O'Neill recently became the Executive Chairman of Electronic Cigarettes International Group (ECIG), a company with two years of history having sales in North America and Europe. Prior to that, he was the President and Chief Executive Officer of WinSport Canada, a not-for-profit organization that owns and operates the Canada Olympic Park in Calgary (Alberta). In 2005, Mr. O'Neill served as Vice-Chairman, Synergies & Integration of Molson Coors Brewing Company. He was President and Chief Executive Officer of Molson Inc. from 2000 to 2005, prior to its merger with Adolph Coors Company. Before that, he was Executive Vice-President of H.J. Heinz Company and President and Chief Executive Officer of Star-Kist Foods. He also worked at S.C. Johnson, a consumer products company. He was a director of H.J. Heinz Company from 1998 to 1999. Mr. O'Neill holds a Bachelor of Arts from Carleton University and a Master of Business Administration (MBA) from Queen's University. He also attended the Program for Management Development at Harvard Business School.

Board/Committee Membership	Attendance	Other Public Board Membership
Board of Directors	8/8 100%	<u>Entity</u> <u>Since</u>
Audit Committee	5/5 100%	Electronic Cigarettes International Group - ECIG 2015
Human Resources, Nomination and Governance Committee	5/6 83%	
<b>Total: 95%</b>		

**Value of Total Compensation Received as Director**Fiscal 2015: \$170,000<sup>(1)</sup>**Securities Held as of January 31, 2015**

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares <sup>(2)</sup> (\$)	Multiple Voting Shares (#)	Market Value of Multiple Voting Shares (\$)	Options (#)	Value of Vested In-the-Money Options (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units <sup>(2)</sup> (\$)	Total Market Value of Securities Held <sup>(2)</sup> (\$)
58,432	1,279,660.80	-	-	-	-	6,625	145,087.50	1,424,748.30

**Notes**

(1) For a complete itemization of the compensation, please see "Compensation of Directors".

(2) Based on the closing price of the Subordinate Voting Shares on the TSX (\$21.90) on January 30, 2015, being the last trading day before the end of Fiscal 2015.



**EDWARD PHILIP**
**Director**


Age: 50

Massachusetts, U.S.A.

**Independent**

Director since 2005

**2014 Voting Results**

 For: 99.96%  
 Withheld: 0.04%

Mr. Philip is the Chief Operating Officer of Partners in Health (a non-profit health care organization) since January 2013. In addition, Mr. Philip is a Special Partner at Highland Consumer Fund, serving in this role since 2013. He served as Managing General Partner at Highland Consumer Fund since 2006. Prior thereto, Mr. Philip served as President and Chief Executive Officer of Decision Matrix Group, Inc. from May 2004 to November 2005. Prior thereto, he was Senior Vice President of Terra Networks, S.A. from October 2000 to January 2004. In 1995, Mr. Philip joined Lycos, Inc. (an Internet service provider and search company) as one of its founding members. During his time with Lycos, Inc., Mr. Philip held the positions of President, Chief Operating Officer and Chief Financial Officer at different times. Prior to joining Lycos, Inc., Mr. Philip spent time as the Vice President of Finance for the Walt Disney Company, and prior thereto Mr. Philip spent a number of years in investment banking. Mr. Philip serves as a director of Hasbro Inc. and sits on its compensation committee as well as on its nominating, governance and social responsibility committee. Mr. Philip holds a Master of Business Administration from Harvard Business School.

Board/Committee Membership	Attendance	Other Public Board Membership
Board of Directors	7/8 87%	<u>Entity</u> <u>Since</u>
Audit Committee <sup>(1)</sup>	4/4 100%	Hasbro Inc. 2002
Investment and Risk Committee <sup>(2)</sup>	1/1 100%	
Human Resources, Nomination and Governance Committee	5/6 83%	
<b>Total: 89%</b>		

**Value of Total Compensation Received as Director**

 Fiscal 2015: \$189,019<sup>(3)</sup>
**Securities Held as of January 31, 2015**

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares <sup>(4)</sup> (\$)	Multiple Voting Shares (#)	Market Value of Multiple Voting Shares (\$)	Options (#)	Value of Vested In-the-Money Options (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units <sup>(4)</sup> (\$)	Total Market Value of Securities Held <sup>(4)</sup> (\$)
77,025	1,686,847.50	-	-	-	-	6,625	145,087.50	1,831,935.00

**Notes**

- (1) Reflects attendance to the meetings held before Mr. Philip ceased to be a member of the Audit Committee on December 11, 2014.
- (2) Reflects attendance to the meetings held after appointment to the Investment and Risk Committee on December 11, 2014.
- (3) Includes a board cash retainer of U.S.\$50,000 and committees cash retainers of U.S.\$20,000 converted to Canadian dollars using an exchange rate of 1.2717, being the noon rate of exchange posted by the Bank of Canada for conversion of U.S.\$ into Canadian dollars on January 30, 2015. For a complete itemization of the compensation, please see "Compensation of Directors".
- (4) Based on the closing price of the Subordinate Voting Shares on the TSX (\$21.90) on January 30, 2015, being the last trading day before the end of Fiscal 2015.



**JOSEPH ROBBINS****Director**

Mr. Robbins is a Principal at Bain Capital Partners, LLC (a private equity fund). Since joining the firm in 2008, he has worked with a number of companies in the energy, technology and consumer sectors. Previously, Mr. Robbins worked at Sentient Jet, LLC, a leading provider of jet membership services, and at the Boston Consulting Group. Mr. Robbins holds a Master of Business Administration (MBA) (with high distinction) from Harvard Business School, where he was a Baker Scholar, and a Bachelor of Arts in Social Studies from Harvard College.

Board/Committee Membership	Attendance	Other Public Board Membership	
		Entity	Since
Board of Directors	7/8 87%	N/A	N/A
	<b>Total: 87%</b>		

**Value of Total Compensation Received as Director<sup>(2)</sup>**

Fiscal 2015: Nil

Age: 35

Massachusetts, U.S.A.

**Not independent<sup>(1)</sup>**

Director since 2013

**2014 Voting Results**

For: 96.92%

Withheld: 3.08%

**Securities Held as of January 31, 2015**

Subordinate Voting Shares (#)	Market Value of Subordinate Voting Shares (\$)	Multiple Voting Shares (#)	Market Value of Multiple Voting Shares (\$)	Options (#)	Value of Vested In-the-Money Options (\$)	Deferred Share Units (#)	Market Value of Deferred Share Units (\$)	Total Market Value of Securities Held (\$)
-	-	-	-	-	-	-	-	-

**Notes**

- (1) Mr. Robbins is not considered independent because of his relationship with BCI. For details regarding BCI, see "General Information – Voting Shares Outstanding and Principal Shareholders".
- (2) No compensation is paid to directors who are not independent.



### *Cease Trade Orders*

To the knowledge of the Company and based upon information provided by the proposed director nominees, none of the Company's proposed director nominees is, as at the date of this Circular, or has been, within the 10 years prior to the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity), was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation, in each case, for a period of more than 30 consecutive days.

### *Bankruptcies*

To the knowledge of the Company and based upon information provided by the proposed director nominees, none of the Company's proposed director nominees is, as at the date of this Circular, or has been, within the 10 years prior to the date of this Circular, a director or executive officer of any company (including the Company), that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Company and based upon information provided by the proposed director nominees, none of the Company's proposed director nominees has, within the 10 years prior to the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

### *Securities Penalties or Sanctions*

To the knowledge of the Company and based upon information provided by the proposed director nominees, none of the Company's proposed director nominees has (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed nominee director.

### **Appointment of Auditor**

At the Meeting, shareholders will be asked to appoint the firm of Deloitte LLP to hold office as the Company's auditor until the close of the next annual meeting of shareholders.

Deloitte LLP has served as auditor of the Company since 2005 and has informed the Company that it is independent with respect to the Company within the meaning of the Code of Ethics of the *Ordre des comptables agréés du Québec*.

**Unless a proxy specifies that the Shares it represents should be withheld from voting in respect of the appointment of the auditor or voted in accordance with the specification in the proxy, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Deloitte LLP as auditor of the Company.**



For Fiscal 2015 and the fiscal year ended January 31, 2014 (“**Fiscal 2014**”), the Company was billed the following fees by its independent auditor, Deloitte LLP:

	<u>Fiscal 2015</u>	<u>Fiscal 2014</u>
Audit Fees <sup>(1)</sup> .....	\$1,705,210	\$2,175,392
Audit Related Fees <sup>(2)</sup> .....	15,500	70,988
Tax Fees <sup>(3)</sup> .....	94,309	206,710
All Other Fees <sup>(4)</sup> .....	703,382	360,844
<b>Total Fees Paid</b> .....	<b><u>\$2,518,401</u></b>	<b><u>\$2,813,934</u></b>

- (1) “Audit Fees” include fees necessary to perform the annual audit or reviews of the consolidated financial statements. For Fiscal 2015, an aggregate amount of \$55,000 in Audit Fees was incurred in connection with the secondary offering of Subordinate Voting Shares which closed in January 2014.
- (2) “Audit Related Fees” include fees for assurance and related services by the independent auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements other than those included in “Audit Fees”, such as consultation on accounting and reporting matters.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax advice and tax planning.
- (4) “Other Fees” include fees for products and services provided by the independent auditor other than those included above, including consulting services.

The audit committee of the Company (the “**Audit Committee**”) is responsible for the pre-approval of all and any non-audit services to be provided to the Company or its subsidiary entities by the independent auditor. At least annually, the Audit Committee shall review and confirm the independence of the independent auditor by obtaining statements from the independent auditor on any non-audit services.

Additional details with respect to the Audit Committee and the above-mentioned fees can be found in the section entitled “Audit Committee” of the Company’s annual information form, available on SEDAR at [www.sedar.com](http://www.sedar.com).



## COMPENSATION OF DIRECTORS

The director compensation program of the Company is designed to (i) attract and retain qualified individuals who possess the relevant experience of board membership with other international successful Canadian and U.S. listed companies, and (ii) align the compensation of the directors with the interest of the Company's shareholders through security-based compensation.

The following table outlines the annual compensation payable to the independent directors of the Company. Depending on the residency of the independent directors, the compensation is either paid in Canadian dollars or in U.S. dollars. The directors of the Company who are not independent for the purposes of National Instrument 52-110 – *Audit Committees*, as amended from time to time ("**NI 52-110**"), as a result of their functions with Bain or Beaudier Group or, in the case of José Boisjoli, as a result of also acting as President and Chief Executive Officer of the Company, are not receiving compensation as directors of the Company.

	\$ (or U.S. \$)
<b>Independent Board Member:</b>	
Cash Retainer .....	50,000 <sup>(1)</sup>
Equity Retainer .....	100,000
<b>Committee Chair Cash Retainer:</b>	
Audit Committee .....	15,000
Human Resources, Nomination and Governance Committee .....	—
Investment and Risk Committee .....	—
<b>Committee Member Cash Retainer</b>	
Audit Committee .....	10,000 <sup>(2)</sup>
Human Resources, Nomination and Governance Committee .....	10,000 <sup>(3)</sup>
Investment and Risk Committee .....	10,000 <sup>(4)</sup>
<b>Per-Meeting Fees</b>	—

(1) Based on their respective residencies, the cash retainer payable to the independent members of the Board of Directors is paid in Canadian dollars to Messrs. Hanley and O'Neill and to Ms. Métayer and is paid in U.S. dollars to Messrs. Mazzorin and Philip.

(2) Based on their respective residencies, the cash retainer payable to members of the Audit Committee is paid in Canadian dollars to Mr. O'Neill and to Ms. Métayer and is paid in U.S. dollars to Messrs. Mazzorin and Philip.

(3) Based on their respective residencies, the cash retainer payable to independent members of the Human Resources, Nomination and Governance Committee is paid in Canadian dollars to Messrs. Hanley and O'Neill and is paid in U.S. dollars to Mr. Philip.

(4) Based on their respective residencies, the cash retainer payable to Messrs. Mazzorin and Philip, the two independent members of the Investment and Risk Committee, is paid in U.S. dollars

BRP vehicles are made available to the directors in accordance with the policy applicable to Vice Presidents of the Company.

To encourage directors to better align their interests with those of the shareholders by having an investment in the Company, a Deferred Share Unit Plan (the "**DSU Plan**") was implemented on May 29, 2013. The DSU Plan provides that the entirety of the equity retainer to be received by each director who is an independent director for purposes of NI 52-110 is to be paid in deferred share units ("**DSUs**"), and further provides that each such director may also elect to receive up to 100% of his or her cash retainer in the form of DSUs. The cash and equity retainers are paid on a quarterly basis with the number of DSUs



to be issued based on the volume weighted average trading price on the TSX for the five trading days prior to such issuance. The DSUs vest immediately and take the form of a bookkeeping entry credited to the eligible director's account for as long as he/she remains a director, only to be paid after the director ceases to act as director. DSUs earn dividend equivalents in the form of additional DSUs at the same rate as the dividends paid on the Subordinate Voting Shares. The DSU Plan is not dilutive.

The Company does not offer a meeting fee for Board of Directors members. The total retainer is deemed to be the full payment for the role of director.

#### *Fees Earned by Independent Directors*

The table below shows the allocation of fees and the total fees earned by the independent directors of the Company during Fiscal 2015. As described above, the directors of the Company who are not independent are not receiving compensation, including any option-based or share-based awards, as directors of the Company. As President and Chief Executive Officer, Mr. José Boisjoli's compensation is disclosed under "Executive Compensation — Discussion and Analysis".

Directors	Fees Earned by Independent Directors										
	Board Cash Retainer <sup>(1)</sup>				Board Equity Retainer <sup>(2)</sup>		Committees Cash Retainer <sup>(1)</sup>		Total Fees Earned (\$)	All Other Compensation (\$)	Total (\$)
	Dollar Value (\$)	Amount Elected to be Received in Cash (\$)	Amount Elected to be Received in DSUs	Equivalent Number of DSUs	Dollar Value (\$)	Equivalent Number of DSUs	Chair of Audit Committee (\$)	Committee Member (\$)			
Michael Hanley.....	50,000	50,000	-	-	100,000	3,939	15,000	10,000	175,000	-	175,000
Carlos Mazzorin.....	63,585 <sup>(3)</sup>	63,585 <sup>(3)</sup>	-	-	100,000	3,939	-	25,434 <sup>(3)</sup>	189,019	-	189,019
Estelle Métayer.....	37,500	37,500	-	-	75,000	3,099	-	2,500	115,000	-	115,000
Daniel O'Neill.....	50,000	50,000	-	-	100,000	3,939	-	20,000	170,000	-	170,000
Edward Philip.....	63,585 <sup>(3)</sup>	63,585 <sup>(3)</sup>	-	-	100,000	3,939	-	25,434 <sup>(3)</sup>	189,019	-	189,019

(1) The cash retainers are paid quarterly.

(2) The DSUs are credited to independent board members as of the last day of each fiscal quarter of the Company, using the volume weighted average trading price of the Subordinate Voting Shares on the TSX for the five trading days preceding the issuance of the DSUs.

(3) Represent board cash retainers of U.S.\$50,000 and committee member cash retainers of U.S.\$20,000 for each of Messrs. Mazzorin and Philip, converted to Canadian dollars using an exchange rate of 1.2717, being the noon rate of exchange posted by the Bank of Canada for conversion of U.S.\$ into Canadian dollars on January 30, 2015.



## EXECUTIVE COMPENSATION — DISCUSSION AND ANALYSIS

The following discussion describes the significant elements of the Company's executive compensation program, with particular emphasis on the process for determining compensation payable to named executive officers ("**Named Executive Officer**" or "**NEOs**"), being (i) the Chief Executive Officer ("**CEO**"), (ii) the Chief Financial Officer ("**CFO**"), (iii) each of the three other most highly compensated executive officers (or individuals acting in a similar capacity) of the Company, and (iv) each individual who would have been a NEO but for the fact that such individual was neither an executive officer of the Company nor acting in a similar capacity at the end of Fiscal 2015. For Fiscal 2015, the Company's NEOs were:

- José Boisjoli, President and CEO;
- Sébastien Martel, CFO;
- Alain Villemure, Vice President and General Manager, Marine Propulsion Systems Division;
- Chris Dawson, Vice President and General Manager, Global Sales and Consumer Experience Division;
- Giulia Cirillo, Senior Vice President, Global Human Resources and Health, Safety & Security
- Claude Ferland, former CFO; and
- Gerd Ohrnberger, former Vice President and General Manager, Product Engineering and Manufacturing Operations Division.

### Executive Compensation Philosophy and Objectives

The Company's compensation program is designed to retain, motivate and reward the executive officers for their performance and contribution to the Company's long-term success. The Board of Directors seeks to compensate the executive officers by combining short-term cash and long-term equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives and to align executive officers' incentives with shareholder value creation.

In order to support the Company's vision and mission, the executive officers must be fully engaged to innovate and deliver results that meet or exceed expectations from all the Company's stakeholders, including its shareholders. The Company must also prioritize the proper management of its investment in total executive compensation. The Company's philosophy is to pay fair, reasonable and competitive compensation with a particular emphasis on share-based compensation in order to best align the interests of the Company's executive officers with those of its shareholders. The Company's executive officer compensation policy:

- supports and promotes successful execution of the business strategy;
- provides executives with competitive rewards and an appropriate pay mix based on a pay for performance philosophy;
- is designed to attract and engage talented and results-oriented executives with experience in a global business environment;
- drives desired performance and encourages discretionary effort; and
- promotes flexibility and agility in managing the business to succeed as a global organization and to adapt to local requirements and culture.



## **Role and Accountabilities of the Human Resources, Nomination and Governance Committee**

The Human Resources, Nomination and Governance Committee is composed of Messrs. Bekenstein, Hanley, Laporte, O'Neill and Philip. Mr. Bekenstein acts as chair of the HRNGC. All members of the HRNGC have a working familiarity with corporate governance, human resources and compensation matters. The relevant experience of each member of the HRNGC is described as part of their respective biographies. See "Business of the Meeting - Election of Directors - Description of Proposed Director Nominees". Messrs. Hanley, O'Neill and Philip are independent under the standards set forth under Section 1.4 of National Instrument 52-110 – *Audit Committees*, as amended from time to time. Messrs. Bekenstein and Laporte are not considered independent under such standards. See "Disclosure of Corporate Governance Practices - Board of Directors - Independence and Tenure" for a discussion on the independence of the members of the Board of Directors.

The HRNGC plays a critical role in the oversight and governance of the executive compensation policies and programs of the Company. The Board of Directors has adopted a written charter describing the mandate of the HRNGC. Under its charter, the HRNGC assumes the following responsibilities on matters that are specific to executive compensation:

- establishes the Company's general compensation philosophy in consultation with management and external independent consultants;
- reviews the general compensation structures of the Company;
- reviews the components of overall compensation of senior executives consisting of base salary, short-term incentives, long-term incentives, benefits, pension and perquisites;
- reviews the corporate goals and objectives for which the CEO is responsible and which are relevant to his compensation and reviews the suggested level of and/or changes in the CEO's overall compensation taking into consideration performance in light of those corporate goals and objectives and competitive compensation practices to ensure that such compensation realistically reflects the CEO's responsibilities and performance;
- reviews the recommendations of the CEO with respect to the suggested level of and/or changes in the overall compensation of other senior executives, taking into consideration individual performance and competitive compensation practices;
- identifies any risk that may arise from the Company's compensation policies or practices that could have a material adverse effect on the Company or that could encourage an executive officer to take inappropriate or excessive risks;
- makes recommendations to the Board of Directors on any new incentive plan or on any material change to the Company's short-term and long-term incentive plans and to discharge any responsibilities imposed on the HRNGC under these plans; and
- reviews annually the extent to which designated senior executives are meeting the minimum share ownership requirements.

Please refer to the section "Disclosure of Corporate Governance Practices – Board of Directors Committees - Human Resources, Nomination and Governance Committee" for further information regarding the HRNGC.

### **Compensation Consulting Services**

Under its charter, the HRNGC has the authority to retain and does retain, from time to time, the services of executive compensation consultants to provide independent advice on executive compensation and related governance issues. The HRNGC also has the authority to determine and pay the fees of its consultants. All compensation and non-compensation services provided by independent advisors, consultant and experts to the Company must be pre-approved by the HRNGC.



During Fiscal 2015, the HRNGC retained the services of Towers Watson. Towers Watson was originally retained in May of 2012 to provide independent advice on executive compensation and related governance issues. Towers Watson's services typically included advising on compensation policies and assessing compensation-related market developments for senior executives and directors. Towers Watson also provided from time to time non-executive compensation-related services, which included advices related to non-executive compensation policy, market pricings and employee engagement-related mandates.

The aggregate fees billed to the Company for Fiscal 2015 and Fiscal 2014 for executive compensation-related services and all other services provided by Towers Watson are as set out below:

	<b>Fiscal 2015</b>	<b>Fiscal 2014</b>
Executive Compensation-Related Fees .....	\$140,099	\$571,938 <sup>(1)</sup>
All Other Fees .....	\$27,350 <sup>(2)</sup>	\$235,461 <sup>(2)</sup>
<b>Total Fees Paid</b> .....	<b>\$167,449</b>	<b>\$807,399</b>

(1) Executive compensation-related fees for Fiscal 2014 include fees incurred in connection with the IPO of the Company which closed on May 29, 2013.

(2) Fees related to non-executive compensation policy, market pricings and employee engagement-related mandates.

During Fiscal 2015, the HRNGC also retained the services of Hay Group Limited. Hay Group Limited was originally retained in October 2014 to provide independent advice on executive compensation and related governance issues. Hay Group Limited did not provide other services than compensation services related to the Company's directors or executive officers. Pursuant to an arrangement between Hay Group Limited and the Company, no fees were billed to the Company in Fiscal 2015 with respect to services provided during Fiscal 2015; all such fees will be billed to the Company in the fiscal year ending on January 31, 2016.

### **Market Positioning and Benchmarking**

The HRNGC adopted a compensation policy that is specific to the executive officers of the Company and provides for a positioning of each element of total compensation within a well-defined group of comparable companies (the "**Comparator Group**").

Periodic market surveys within specific reference markets determine total reward competitiveness. The HRNGC reviews the compensation practices of the Comparator Group. Companies included in the Comparator Group operate in relevant industries, have revenues substantially similar to those of the Company, have global operations and are mostly publicly-traded companies. Additionally, such companies share similar economic and business challenges as the Company, making relative performance and compensation comparisons meaningful.



The following table presents the companies included in the Comparator Group for Fiscal 2015 and outlines the main selection criteria:

Company	Competitor	Competitor Comparators	Engineering/ Technology	Product Development & Innovation	Consumer Focused	International Operations	Autonomous	Publicly-Traded
Aecon Group Inc.			✓			✓	✓	✓
Arctic Cat Inc.	✓	✓	✓	✓	✓	✓	✓	✓
Bell Helicopter Textron Inc.			✓	✓		✓		
Bombardier Transportation Americas			✓	✓				
Briggs & Stratton Corporation		✓	✓	✓		✓	✓	✓
Brunswick Corporation	✓	✓	✓	✓	✓	✓	✓	✓
CAE Inc.			✓	✓		✓	✓	✓
Canadian Pacific Railway						✓	✓	✓
Canam Group Inc.			✓	✓		✓	✓	✓
Cascades, Inc.			✓	✓	✓	✓	✓	✓
CGI Group, Inc.			✓			✓	✓	✓
Ericsson Canada Inc.			✓	✓	✓			
Finning International Inc.						✓	✓	✓
Flowserve Corporation		✓	✓	✓		✓	✓	✓
General Electric Canada Company			✓	✓				
Harley-Davidson, Inc.	✓	✓	✓	✓	✓	✓	✓	✓
IBM Canada			✓	✓	✓			
Molson Canada Inc.				✓	✓			
Polaris Industries, Inc.	✓	✓	✓	✓	✓	✓	✓	✓
Procter & Gamble Inc. (Canada)				✓	✓			
Quebecor Inc.			✓	✓	✓		✓	✓
SNC-Lavalin Group Inc.			✓			✓	✓	✓
Thor Industries Inc.		✓	✓	✓	✓		✓	✓
Toro Co.		✓	✓	✓		✓	✓	✓
Toyota Motor Manufacturing Canada Inc.					✓			
Transat A.T. Inc.					✓	✓	✓	✓
Woodbridge Foam Corporation			✓	✓		✓	✓	

The following table outlines the statistical distribution of the revenues and number of employees of companies included in the Comparator Group:

Statistical Distribution	Revenues (\$M)	Employees
25th percentile	2,144	5,350
Median	3,839	8,700
75th percentile	6,424	15,992
BRP	3,525	7,600

The compensation market comparison is done using regression analysis which enables the Company to predict the “size-adjusted” competitive level of its compensation as a function of its size in relation to that of other companies included in the Comparator Group. This methodology mitigates the impact that much larger companies may have on the competitive compensation levels for the Company.



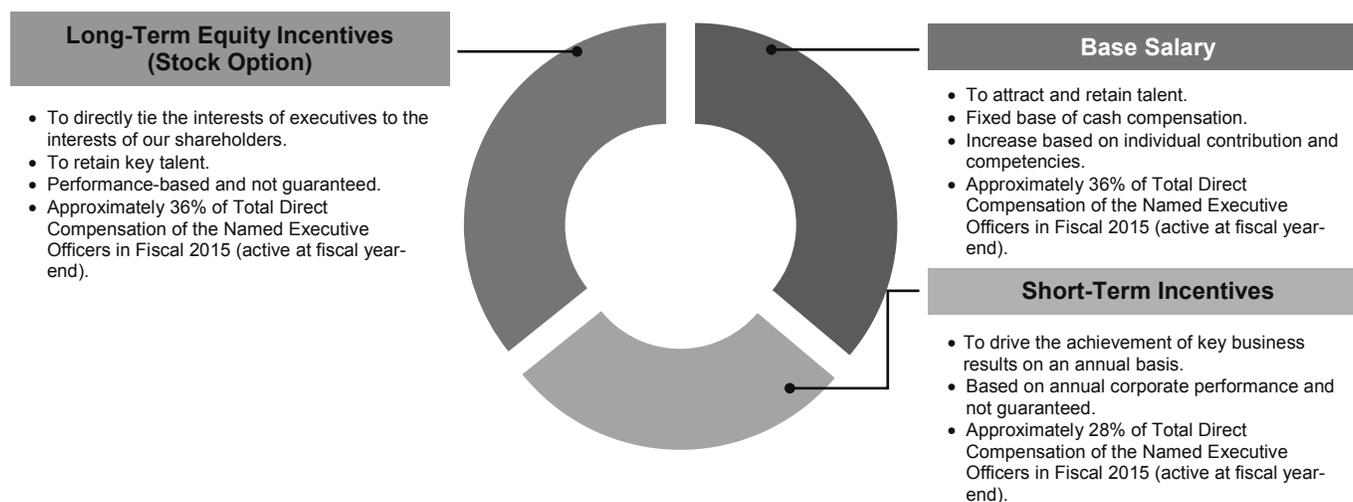
The following table summarizes the market positioning for each element of the Company's compensation program and in aggregate on a total compensation basis:

Compensation Element	Market Positioning	
	For Performance Meeting Expectations	For Top Performer Achieving Superior Performance
<b>Direct Compensation</b>		
Base Salary.....	Market median	Above market median
Short-Term Incentives.....	Market median	Maximum can reach up to twice target
Long-Term Incentives.....	Set as balancing item to bring total compensation to market median	Set as balancing item to bring total compensation up to 75 <sup>th</sup> percentile
<b>Indirect Compensation</b>		
Group insurance benefits.....	Competitive (market median)	Competitive (market median)
Pension and retirement benefits.....	Competitive (market median)	Competitive (market median)
Perquisites.....	Competitive (market median)	Competitive (market median)
<b>Total Compensation</b> .....	Market median	Up to 75 <sup>th</sup> percentile

### Elements of Compensation

The Company's executive compensation program consists primarily of six elements: base salary, short-term incentives, long-term equity incentives, group benefits, retirement benefits and perquisites, as illustrated below:

### TOTAL DIRECT COMPENSATION

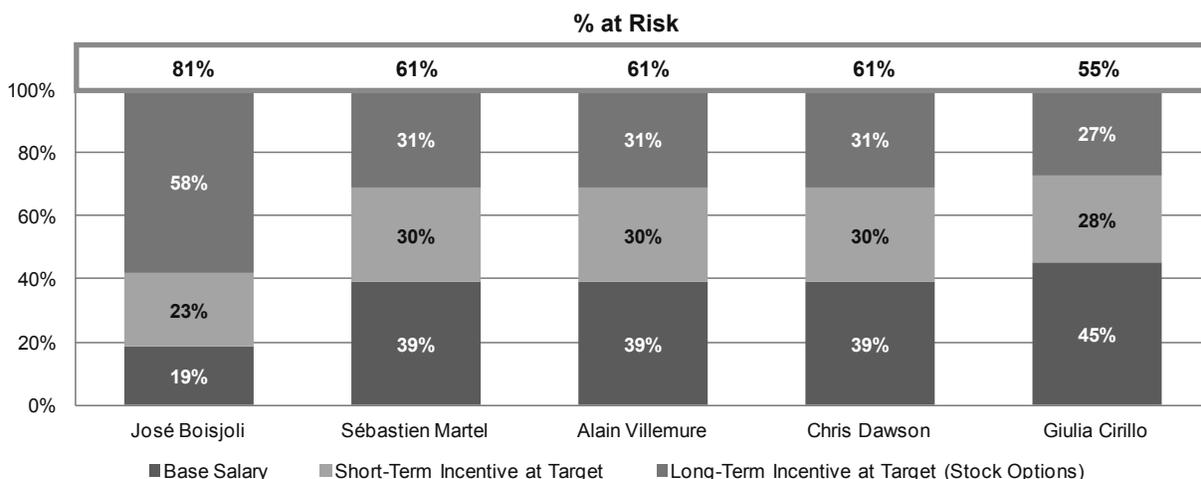


### OTHER ELEMENTS OF COMPENSATION

<p><b>Group Benefits</b></p> <ul style="list-style-type: none"> <li>Investment in executive health and well-being.</li> <li>To provide a safety net to protect against the financial catastrophes that can result from illness, disability or death.</li> </ul>	<p><b>Retirement Benefits</b></p> <ul style="list-style-type: none"> <li>Provides financial protection upon retirement.</li> </ul>	<p><b>Perquisites</b></p> <ul style="list-style-type: none"> <li>Facilitate business conduct and promotion of BRP's products.</li> <li>The Company believes that the benefit the Company receives from providing these perquisites significantly outweighs the cost of providing them.</li> </ul>
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The following chart sets forth (i) the relative weight attributable to each element of direct compensation, namely base salary, short-term incentives and long-term incentives, in the total direct compensation awarded to the NEOs that were active at the end of Fiscal 2015 (based, in the case of short-term and long-term incentives, on target payouts), and (ii) at the top of the chart, the percentage of each NEO's total compensation which was considered at risk (not guaranteed) for Fiscal 2015:



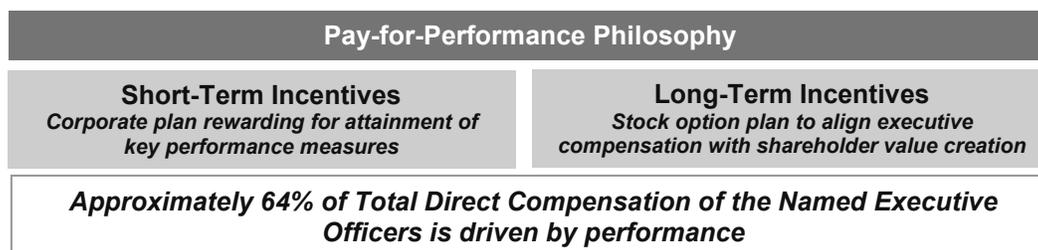
### Base Salary

Base salary established for each of the Company's executive officers is intended to reflect each executive officer's ability to contribute to the Company's success through expertise, experience and know-how. Base salary is not contingent on short-term variation in operating performance, and therefore sustains individual performance and competency development.

The amount payable to an executive officer is determined based on the scope of his/her responsibilities and relevant experience, while taking into account competitive market compensation within the Company's Comparator Group for similar positions and overall market demand for such executive. Base salaries are targeted at the market median of the competitive market, with base salaries for top performers achieving superior performance being set above the market median of the competitive market.

Base salaries are reviewed on an annual basis by the HRNGC. The CEO provides individual performance ratings for all executive officers but himself which are reviewed with the Senior Vice President, Global Human Resources and Health, Safety and Security, and recommendations are then provided to the HRNGC. The HRNGC assesses if adjustments are required considering market changes, individual performance, corporate performance, change in role or responsibilities and other considerations deemed relevant.

### Incentive Programs that Support a Strong Pay-for-Performance Philosophy



The Company sponsors two incentive programs for its executive officers and other key employees. Each program supports and promotes successful execution of the business strategy, drives desired performance and encourages discretionary effort. The following presents an overview of the two programs and illustrates how they contribute in supporting a robust pay-for-performance philosophy.

### **Short-Term Incentive Plan**

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- The objectives of the short-term incentive program are to:
  - share in the Company's success;
  - reward collective performance and results;
  - drive employee engagement as a foundation for high performance;
  - align employee contribution to the Company's objectives; and
  - encourage employees in successfully executing the Company's strategic plan.
- The program rewards the attainment of financial and other key performance indicators.

### **Long-Term Incentive Plan (Stock Option)**

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- The objectives of the long-term incentive program are to:
  - promote the Company's long-term growth;
  - share in the creation of economic value;
  - share the risk;
  - retain key employees; and
  - offer potential reward to high contributors and high potential candidates.
- Stock options were chosen as the preferred long-term incentive vehicle to ensure that value was delivered to shareholders.
- Size of annual grant is subject to individual and Company performance conditions at time of grant.
- Stock options vest in tranches over a 4-year period to promote strong retention.
- Stock options offer a strong incentive leverage to reward long-term appreciation in shareholder value.

#### *Short-Term Incentive Plan*

Each executive is provided with an individual bonus payout target and a maximum bonus payout for a given fiscal year, established as a percentage of such executive's base salary on the assumption that all of the performances measures used under the short-term incentive plan "the **STIP**" are met at target levels and maximum levels, respectively. Targets are aligned at the market median of the competitive market and the maximum bonus payout is set at two times the predetermined bonus payout target for exceptional results. For Fiscal 2015, the bonus payout target and the maximum bonus payout, as a percentage of base salary, for each of the NEOs were as follows:



<b>Title</b>	<b>Bonus Payout Target as a Percentage of Base Salary</b>	<b>Maximum Bonus Payout as a Percentage of Base Salary</b>
<b>José Boisjoli</b> ..... President and CEO	125%	250%
<b>Sébastien Martel</b> ..... CFO	75% <sup>(1)</sup>	150%
<b>Alain Villemure</b> ..... Vice President and General Manager, Marine Propulsion Systems Division	75%	150%
<b>Chris Dawson</b> ..... Vice President and General Manager, Global Sales and Consumer Experience Division	75%	150%
<b>Giulia Cirillo</b> ..... Senior Vice President, Global Human Resources and Health, Safety & Security	60%	120%
<b>Claude Ferland</b> <sup>(2)</sup> ..... Former CFO	75%	150%
<b>Gerd Ohrnberger</b> <sup>(3)</sup> ..... Former Vice President and General Manager, Product Engineering and Manufacturing Operations Division	75%	150%

(1) Prior to his promotion as CFO on May 1, 2014, Mr. Martel's target and maximum bonus payouts were set at 60% and 120% of his base salary, respectively.

(2) Mr. Ferland ceased to serve as the Company's CFO on May 1, 2014. Effective as of the same date, Mr. Sébastien Martel was appointed as CFO.

(3) Mr. Ohrnberger ceased to serve as the Company's Vice President and General Manager, Product Engineering and Manufacturing Operations Division, on January 9, 2015.

The Company's STIP is ultimately under the responsibility of the HRNGC which may establish, amend or repeal, from time to time and at its own discretion, rules that are incompatible with the Company's executive compensation policy. The payout grid, articulating performance thresholds and multipliers for levels of achievement, is also reviewed annually by the HRNGC to assess the appropriate level of targets based on past performances and future outlook. The HRNGC has broad discretion in its administration of the STIP and the amounts of awards to be paid thereunder.

The Company's STIP for Fiscal 2015 was an additive plan with four categories of performance measures. The following table summarizes the details of each performance measure:

<b>Performance Measure</b>	<b>Weighting</b>	<b>Definition</b>	<b>Threshold Levels</b>
Normalized Diluted EPS.	70%	Normalized earnings per share on a diluted basis	Set at or above previous year's normalized net income level
Consumer Visit Index.....	15%	Consumer satisfaction	—
Inventory Turnover.....	10%	Yearly average number of days for inventory turnover	Set at or below previous year's inventory turnover level
Accounts Receivable Turnover.....	5%	Yearly average number of days for accounts receivable turnover	Set at or below previous year's accounts receivable turnover level



Normalized Diluted EPS is a non-IFRS measure and is calculated by dividing the Normalized net income of the Company by the weighted average number of Subordinate Voting Shares on a diluted basis. Normalized net income is defined as net income before normalized elements adjusted to reflect the tax effect on these elements. The Company believes that the use of Normalized Diluted EPS is meaningful to reflect alignment with the interests of the shareholders since it highlights trends in the Company's core business that may not otherwise be apparent by eliminating items that have less bearing on the Company's operating performance. For more details on the Company's Normalized net income and Normalized Diluted earnings per share, please refer to the Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and twelve-month periods ended January 31, 2015.

Consumer Visit Index is a measure that monitors the frequency of normal warranty experienced by the consumer by measuring the proportion of consumers who had at least one warranty claim during the normal warranty period. Consumer Visit Index has been identified as an effective tool to mobilize the BRP workforce to enhance the consumer experience.

Inventory Turnover is defined as the average number of days it takes to sell and replace the Company's inventory. This ratio is a key measure for evaluating how efficient management is at managing the Company's inventory and generating sales from it. The Company believes that this measure is a good indicator that promotes lasting operational excellence.

Accounts Receivable Turnover is defined as the average number of days that is required for the Company to collect its average accounts receivable and turn it into cash. Such ratio measures how efficiently the Company issues credit to its customers and collects its sales. The Company believes that this measure is a good indicator of the quality of its credit sales and receivables, and therefore a good indicator of the efficiency with which it uses its financial resources.

The table below shows the payout grid approved by the HRNGC together with the actual performance levels and the related payouts achieved for Fiscal 2015:

<b>Performance Measure</b>	<b>Weighting</b>	<b>Threshold Level</b>	<b>Target Level</b>	<b>Maximum Level</b>	<b>Actual</b>	<b>Payout</b>
Normalized Diluted EPS.	70%	\$1.42	\$1.63	\$1.87	\$1.65	75.7%
Consumer Visit Index <sup>(1)</sup> ..	15%	-	-	-	-	15.0%
Inventory Turnover <sup>(1)</sup> .....	10%	-	-	-	-	0%
Accounts Receivable Turnover <sup>(1)</sup> .....	5%	-	-	-	-	0%
					<b>Total</b>	<b>90.7%</b>

(1) The HRNGC has concluded that it would be seriously prejudicial to the Company's interests to publicly disclose the level of performance that is associated with threshold, target and maximum levels for the Consumer Visit Index, Inventory Turnover and Accounts Receivable Turnover performance measures. The levels of these performance measures could be used by competitors to infer conclusions about confidential strategic priorities of the Company and its operations. The targets related to these performance measures are intended to be challenging – neither impossible nor easy to achieve.

For Fiscal 2015, taking into account the relative weighting of each performance measure, the Normalized Diluted EPS objective generated a payout at 75.7% of the bonus payout target, the Consumer Visit Index objective generated a payout at 15% of the bonus payout target, the Inventory Turnover objective generated a payout at 0% of the bonus payout target and the Accounts Receivables Turnover objective generated a payout at 0% of the bonus payout target, for an actual bonus payout for each NEO respectively at 90.7% of the bonus payout target. The following table outlines the relative weighting of each performance measure of the actual bonus payouts made under the Company's STIP for each of the NEOs for Fiscal 2015:



**Payout Under Each Performance Measure**

Title	Bonus Payout Target as a Percentage of Base Salary	For Fiscal 2015				Actual Bonus Payout as a Percentage of Base Salary
		Normalized Diluted EPS	Consumer Visit Index	Inventory Turnover	Accounts Receivable Turnover	
<b>José Boisjoli</b> ..... President and CEO	125%	94.625%	18.750%	0%	0%	113.375%
<b>Sébastien Martel</b> .....	75% <sup>(1)</sup>	54.348%	10.769%	0%	0%	65.117% <sup>(2)</sup>
<b>Alain Villemure</b> .....	75%	56.775%	11.250%	0%	0%	68.025%
<b>Chris Dawson</b> .....	75%	56.775%	11.250%	0%	0%	68.025%
<b>Giulia Cirillo</b> .....	60%	45.420%	9.000%	0%	0%	54.420%
<b>Claude Ferland</b> .....	75%	0%	0%	0%	0%	— <sup>(3)</sup>
<b>Gerd Ohrnberger</b> .....	75%	47.312%	9.375%	0%	0%	56.687% <sup>(4)</sup>

- (1) Prior to his promotion as CFO on May 1, 2014, Mr. Martel's target and maximum bonus payouts were set at 60% and 120% of his base salary, respectively.
- (2) Mr. Martel was appointed as CFO on May 1, 2014. The figure in the above table corresponds to 90.7% of a target bonus of 60% of his eligible earnings between February 1 2014 and April 30 2014, and 90.7% of a target bonus of 75% of his eligible earnings between May 1 2014 and January 31 2015.
- (3) Mr. Ferland ceased to serve as the Company's CFO on May 1, 2014. As described under "Termination and Change of Control Benefits", Mr. Ferland was entitled under the terms of his employment agreement to a severance payment which corresponded to his target bonus.
- (4) Mr. Ohrnberger ceased to serve as the Company's Vice President and General Manager, Product Engineering and Manufacturing Operations Division, on January 9, 2015. Accordingly, Mr. Ohrnberger's actual bonus payout for Fiscal 2015 was provided for the period during which he served as an employee of the Company.

The HRNGC has broad discretion in its administration of the STIP and the amounts of awards to be paid thereunder.

*Short-Term Incentive Plan for the Fiscal Year Ending on January 31, 2016*

Following a review of the Company's strategic priorities, the HRNGC has approved specific changes to certain of the performance measures to be used under the STIP for the fiscal year ending on January 31, 2016. Normalized diluted EPS for the purpose of the STIP will remain. However, two new



performance measures will replace the other existing performance measures: “Net Working Capital” and “Right the First Time”.

The performance measures and their relative weighting will be as follows:

<b>Performance Measure</b>	<b>Weighting</b>	<b>Definition</b>	<b>Reason for Change</b>
Normalized Diluted EPS.....	70%	Normalized diluted earnings per share	No change
Net Working Capital ....	15%	(Yearly average of net working capital measured at month-end / total revenues) X 365 days	In addition to the previously existing cash generation performance measures (i.e accounts receivables and inventory turnover), add focus on accounts payable to improve efficiency in cash management
“Right the First Time” ...	15%	Number of retrofited units before delivery	Add focus on operational execution goals having a direct impact on productivity and margins

#### *Long-Term Incentive Plans*

The Company believes that share-based awards are an important component of its executive compensation program and should represent a significant portion of its compensation package.

Two distinct long-term incentive plans are currently in force:

- The new long-term incentive plan (the “LTIP” or the “Stock Option Plan”), which was established in May 2013 in connection with the Company’s IPO, pursuant to which stock options may be granted to officers, employees and, in limited circumstances, consultants of the Company. The LTIP is further described under the heading “Stock Option Plan” below.
- The legacy long-term incentive plan (the “Legacy LTIP”), which was established in 2003. Under the Legacy LTIP, options to purchase shares of the Company were granted to certain employees and officers. The Legacy LTIP and the options granted thereunder were maintained at the time of the Company’s IPO in May 2013. However, no additional options have been or will be granted under the Legacy LTIP. The Legacy LTIP is further described under the heading “Legacy LTIP” below.

#### *Pension and Retirement Benefits*

Pension and retirement benefits made available by the Company to the NEOs are described below under the heading “Pension Plan Benefits”. Pension and retirement benefits aim at providing financial protection upon retirement to their participants.

#### *Group Insurance Benefits*

The Company offers medical, dental, life, accidental death and dismemberment and short and long-term disability insurance coverage to executives, including the NEOs.

#### *Perquisites*

Perquisites include leased automobiles, availability of Company products, financial counseling services and an annual health assessment.



## Share Ownership Guidelines

The Company has adopted share ownership guidelines which provide that certain executives, including the NEOs, are required to maintain minimum holdings of Subordinate Voting Shares based on their compensation and position. The share ownership guidelines aim at ensuring that interests of executives remain aligned with those of shareholders and demonstrate that NEOs are financially committed to the Company through personal equity ownership.

The HRNGC monitors executives' share ownership to ensure that the share ownership requirements are met. Under the share ownership guidelines, the requirements are based on the highest of the market value and the cost base of the Subordinate Voting Shares owned by the executive and there is no set time to satisfy the requirements. Options, whether vested or not, are not taken into account in assessing whether the share ownership guidelines are satisfied. Participants must, however, retain the after-tax gains in Subordinate Voting Shares until the share ownership requirements are met.

The following table highlights the minimum holding requirements as a multiple of base salary applicable under the share ownership guidelines for each of the NEOs who were employed by the Company at the end of Fiscal 2015, as well as the total number of Subordinate Voting Shares held by such NEOs:

NEOs	Share Ownership Guideline		Subordinate Voting Shares Held	Equity Ownership is Met (Yes or No)
	As a Multiple of Base Salary	(\$)	Market Value <sup>(1)</sup> (\$)	
<b>José Boisjoli</b> ..... President and CEO	4x	3,829,500	26,796,905	Yes
<b>Sébastien Martel</b> .....	2x	720,000	941,485	Yes
<b>Alain Villemure</b> ..... Vice President and General Manager, Marine Propulsion Systems Division	2x	1,030,110	11,224,683	Yes
<b>Chris Dawson</b> ..... Vice President and General Manager, Global Sales and Consumer Experience Division	2x	890,000	3,662,892	Yes
<b>Giulia Cirillo</b> ..... Senior Vice President, Global Human Resources and Health, Safety & Security	1.5x	501,310	679,220	Yes

(1) Based on the closing price of the Subordinate Voting Shares on the TSX (\$26.47) on April 27, 2015.

## Hedging / Anti-Hedging Policy

The NEOs and the directors are, under the terms of the Company's insider trading policy, prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of shares, including shares granted as, or underlying, share-based compensation or otherwise held directly or indirectly by a NEO or a director.



## Clawback Policy

A clawback policy (the “**Clawback Policy**”) was recommended by the HRNGC and adopted by the Board of Directors. The Clawback Policy, which was adopted effective January 22, 2015, allows the Board of Directors, in its sole discretion, to require reimbursement of all or a portion of the incentive compensation, defined as payouts under the STIP and LTIP, received by senior executives or former senior executives over the 12 months preceding a triggering event if:

- the incentive compensation received by the senior executive was calculated based upon the achievement of financial results that were subsequently materially restated or corrected, in whole or in part;
- the senior executive engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and
- the amount of incentive compensation that would have been awarded to or the profit realized by the senior executive had the financial results been properly reported would have been lower than the amount actually awarded or received.

Under the Company’s Clawback Policy, senior executives are defined as the CEO and permanent full time executives reporting directly to the CEO. The Clawback Policy will only apply to events occurring after its adoption by the Board of Directors.

## Compensation Risk Management

The Company’s current compensation structure attempts to ensure that compensation and incentive plans do not promote unwanted behaviour and unnecessary risk-taking based on:

- a well-balanced mix of base salary, STIP and LTIP compensation;
- a STIP with the same performance measures applied to all employees in the organization, including the executives;
- maximums being applied to payouts under the STIP (two times target);
- the use of performance metrics aligned with the Company’s business strategy and the creation of long-term value for the shareholders, with no measure being related to aggressive revenue growth that could encourage excessive risk-taking detrimental to the long-term profitability of the business of the Company;
- share ownership guidelines requiring NEOs and other executives to maintain a meaningful equity ownership in the Company;
- a prohibition on the hedging of equity-based compensation; and
- policies and practices being generally applied on a consistent basis to all executive officers.

Since the completion of the IPO, the Company has not yet completed the extensive formal review of the implications of the risks associated with the Company’s compensation policies and practices. However, during Fiscal 2016, the HRNGC intends to complete the risk assessment of the executive compensation policies and practices of the Company and to make any adjustments to such compensation policies and practices that it will deem appropriate in light of the results of its assessment.



## Summary Compensation Table

The following table sets forth information concerning the compensation paid by the Company to the NEOs during Fiscal 2015 and Fiscal 2014.

Name and Principal Position	Fiscal Year	Base Salary (\$)	Share-Based Awards (\$)	Option-Based Awards <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation	Pension Value <sup>(3)</sup> (\$)	All Other Compensation <sup>(4)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(2)</sup> (\$)			
José Boisjoli President and CEO	2015	957,375	-	3,198,064	1,085,424	340,000	-	5,580,863
	2014	925,000	-	2,842,009	1,097,281	326,000	34,113	5,224,403
Sébastien Martel CFO	2015	360,000	-	611,477	223,605	175,000	18,179	1,388,261
	2014	271,336	-	188,420	142,921	124,000	32,575	759,252
Alain Villemure Vice President and General Manager, Marine Propulsion Systems Division	2015	515,055 <sup>(7)</sup>	-	249,326	350,366 <sup>(7)</sup>	101,000	511,573	1,727,321
	2014	440,425 <sup>(7)</sup>	-	423,946	313,472 <sup>(7)</sup>	110,000	369,423	1,657,266
Chris Dawson Vice President and General Manager, Global Sales and Consumer Experience Division	2015	445,000	-	754,944	294,918	212,000	42,649	1,749,510
	2014	386,650	-	403,010	275,198	107,000	448,671	1,620,529
Giulia Cirillo Senior Vice President, Global Human Resources and Health, Safety & Security	2015	334,207	-	284,149	181,875	97,000	-	897,231
	2014	322,905	-	251,227	183,862	94,000	-	851,994
Claude Ferland <sup>(5)</sup> Former CFO	2015	113,181	-	-	-	272,000	941,316	1,326,497
	2014	443,848	-	460,583	315,909	272,000	75,832	1,568,172
Gerd Ohrnberger <sup>(6)</sup> Former Vice President and General manager, Product Engineering and Manufacturing Operations Division	2015	450,049 <sup>(8)</sup>	-	275,791	267,441 <sup>(8)</sup>	33,400	271,851	1,298,532
	2014	477,745 <sup>(8)</sup>	-	439,648	340,035 <sup>(8)</sup>	32,100	164,766	1,454,294

(1) Represent grants of options made to the NEOs under the Stock Option Plan. Messrs. Boisjoli, Martel, Villemure and Dawson and Ms. Cirillo were granted 229,600, 43,900, 18,000, 54,200 and 20,400 stock options, respectively. The grant date fair value of such options has been calculated using the Black-Scholes method. The grant date fair value of \$26.30 per option is the same as the fair value determined for accounting purposes. See "Executive Compensation — Discussion and Analysis — Elements of Compensation — Long-Term Incentive Plans" and "Executive Compensation — Discussion and Analysis — Elements of Compensation — Stock Option Plan".

(2) Represents amounts earned pursuant to the STIP. For the purposes of this table, awards are deemed to be earned in the fiscal year in which the applicable performance targets are satisfied, even if the payments are not made in such fiscal year. See "Executive Compensation — Discussion and Analysis — Elements of Compensation — Short-Term Incentive Plan".

(3) Dollar values disclosed in this column correspond to the dollar values in the "Compensatory Change" column of the Defined Benefit Plan table and to the "Compensatory" column of the Defined Contribution Plan table. See "Executive Compensation — Discussion and Analysis — Pension Plan Benefits".

(4) None of the NEOs are entitled to perquisites or personal benefits which, in the aggregate, are worth over \$50,000 or 10% of their base salary. The amount of \$18,179 included in "All Other Compensation" for Mr. Martel represents a compensatory payment made in respect of the vesting of options under the Legacy LTIP for options that vested on February 1, 2014 (\$10,604) and November 1, 2014 (\$7,575). The amount of \$511,573 included in "All Other Compensation" for Mr. Villemure represents payments made to him in connection with his foreign assignment on behalf of the Company, including a foreign assignment premium and related allowances for housing and transportation, together with gross-up for related taxes. The amount of \$42,649 included in "All Other Compensation" for Mr. Dawson represents a compensatory payment made in respect of the vesting of options under the Legacy LTIP for options that vested on February 1, 2014 (\$15,149.50) and on November 1, 2014 (\$15,149.50), along with fees related to tax return preparation in relation to a previous foreign assignment (\$12,350). The amount of \$941,316 included under "All Other Compensation" for Mr. Ferland represents (i) an amount of \$75,747 representing a compensatory payment made in respect of the vesting of options under the Legacy LTIP for options that vested upon his departure from the Company on May 1, 2014, and (ii) an amount of \$865,569 payable to Mr. Ferland further to his termination of employment as CFO of the Company. Please refer to section "Termination and Change of Control Benefits" for more details with



regards to Mr. Ferland's termination agreement. The amount of \$271,851 included in "All Other Compensation" for Mr. Ohrnberger represents payments made to him in connection with the vacation accumulated and owed to him upon his resignation along with his foreign assignment on behalf of the Company, including a foreign assignment premium and related allowances for housing and transportation, together with gross-up for related taxes.

- (5) Mr. Ferland ceased to serve as the Company's CFO on May 1, 2014. Effective as of the same date, Mr. Sébastien Martel was appointed as CFO.
- (6) Mr. Ohrnberger ceased to serve as the Company's Vice President and General Manager, Product Engineering and Manufacturing Operations Division, on January 9, 2015.
- (7) For Fiscal 2015, this represents a base salary of U.S.\$405,013 and an amount earned under the STIP of U.S.\$275,510 converted to Canadian dollars using an exchange rate of 1.2717, being the noon rate of exchange posted by the Bank of Canada for conversion of U.S.\$ into Canadian dollars on January 30, 2015. For Fiscal 2014, this represents a base salary of U.S.\$396,101 and an amount earned under the STIP of U.S.\$281,925 converted to Canadian dollars using an exchange rate of 1.1119, being the noon rate of exchange posted by the Bank of Canada for conversion of U.S.\$ into Canadian dollars on January 31, 2014.
- (8) For Fiscal 2015, this represents an annualized base salary of 328,607 Euros and an amount earned under the STIP of 186,279 Euros converted to Canadian dollars using an exchange rate of 1.4357, being the noon rate of exchange posted by the Bank of Canada for conversion of Euros into Canadian dollars on January 30, 2015. For Fiscal 2014, this represents a base salary of 318,263 Euros and amount earned under the STIP of 226,524 Euros converted to Canadian dollars using an exchange rate of 1.5011, being the noon rate of exchange posted by the Bank of Canada for conversion of Euros into Canadian dollars on January 31, 2014.



## Incentive Plan Awards

### Outstanding Share-Based Awards and Option-Based Awards Table

The table below summarizes, for each of the NEOs, the number of stock options to purchase Subordinate Voting Shares which were held as at January 31, 2015, being the end of Fiscal 2015. As at the same date, the Company had no share-based awards outstanding.

Name and Principal Position	Date of Grant	Option-Based Awards				Share-Based Awards		
		Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
<b>José Boisjoli</b> ..... President and CEO	July 2, 2014	229,600	26,30	July 2, 2024	-	-	-	-
	May 29, 2013	271,500	21,50	May 29, 2023	108,600	-	-	-
<b>Sébastien Martel</b> ..... CFO	July 2, 2014	43,900	26,30	July 2, 2024	-	-	-	-
	May 29, 2013	18,000	21,50	May 29, 2023	7,200	-	-	-
	Nov 1, 2010 <sup>(2)</sup>	11,952	0,15	Nov 1, 2020	259,956	-	-	-
	Feb 1, 2009 <sup>(2)</sup>	5,577	0,15	Feb 1, 2019	121,300	-	-	-
<b>Alain Villemure</b> ..... Vice President and General Manager, Marine Propulsion Systems Division	July 2, 2014	17,900	26,30	July 2, 2024	-	-	-	-
	May 29, 2013	40,500	21,50	May 29, 2023	16,200	-	-	-
<b>Chris Dawson</b> ..... Vice President and General Manager, Global Sales and Consumer Experience Division	July 2, 2014	54,200	26,30	July 2, 2024	-	-	-	-
	May 29, 2013	38,500	21,50	May 29, 2023	15,400	-	-	-
	Aug 1, 2010 <sup>(2)</sup>	7,968	0,15	Aug 1, 2020	173,304	-	-	-
<b>Giulia Cirillo</b> ..... Senior Vice President, Global Human Resources and Health, Safety & Security	July 2, 2014	20,400	26,30	July 2, 2024	-	-	-	-
	May 29, 2013	24,000	21,50	May 29, 2023	9,600	-	-	-
	Aug 1, 2011 <sup>(2)</sup>	59,760	1,13	Aug 1, 2021	1,241,215	-	-	-
<b>Claude Ferland</b> <sup>(3)</sup> ..... Former CFO	-	-	-	-	-	-	-	-
<b>Gerd Ohrnberger</b> <sup>(4)</sup> ..... Former Vice President and General manager, Product Engineering and Manufacturing Operations Division	-	-	-	-	-	-	-	-

- (1) Based on the closing price of the Subordinate Voting Shares on the TSX (\$21.90) on January 30, 2015, being the last trading day before the end of Fiscal 2015.
- (2) Represents stock options granted under the Legacy LTIP, which were granted at an exercise price equal to the fair market value of the underlying shares at the time of initial grant. The exercise price was subsequently adjusted in accordance with the terms of the Legacy LTIP to reflect dividends paid or capital distributions made by the Company prior to its IPO.
- (3) As per the Stock Option Plan, Mr. Ferland's unvested stock options were forfeited. Vested options could be exercised within a period of 60 days after termination See "Termination and Change of Control Benefits".
- (4) As of the date of Gerd Ohrnberger's resignation, all his vested and unvested stock options were cancelled pursuant to the terms of the LTIP. See "Termination and Change of Control Benefits".



## Incentive Plan Awards – Value Vested or Earned During the Year

The following table provides, for each of the NEOs, a summary of the value of the option-based and share-based awards vested or non-equity incentive plan compensation earned during Fiscal 2015.

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year <sup>(2)</sup> (\$)
<b>José Boisjoli</b> ..... President and CEO	27,150	–	1,085,424
<b>Sébastien Martel</b> ..... CFO	209,752	–	223,605
<b>Alain Villemure</b> ..... Vice President and General Manager, Marine Propulsion Systems Division	4,050	–	350,366 <sup>(3)</sup>
<b>Chris Dawson</b> ..... Vice President and General Manager, Global Sales and Consumer Experience Division	350,458	–	294,918
<b>Giulia Cirillo</b> ..... Senior Vice President, Global Human Resources and Health, Safety & Security	250,643	–	181,875
<b>Claude Ferland</b> <sup>(4)</sup> ..... Former CFO	–	–	–
<b>Gerd Ohrnberger</b> <sup>(5)</sup> ..... Former Vice President and General Manager, Product Engineering and Manufacturing Operations Division	4,200	–	267,441

(1) Calculated as the difference between the market price of the Subordinate Voting Shares on the date of vesting and the exercise price payable in order to exercise the vested stock options.

(2) Total amounts earned are equal to the sum of the cumulative amounts shown in the “Non-Equity Incentive Plan Compensation – Annual Incentive Plans” column in the Summary Compensation Table.

(3) Represents the amount of U.S.\$275,510 earned under the STIP converted in Canadian dollars using an exchange rate of 1.2717, being the noon rate of exchange posted by the Bank of Canada for conversion of U.S.\$ into Canadian dollars on January 30, 2015.

(4) As per the Stock Option Plan, Mr. Ferland’s unvested stock options were forfeited. Vested options could be exercised within a period of 60 days after termination.

(5) Represents the amount of 186,279 Euros earned under the STIP converted in Canadian dollars using an exchange rate of 1.4357, being the noon rate of exchange posted by the Bank of Canada for conversion of Euros into Canadian dollars on January 30, 2015. As of the date of Gerd Ohrnberger’s resignation, all his vested and unvested stock options were cancelled pursuant to the terms of the LTIP.



## Stock Options Exercises in Fiscal 2015

The following table sets forth information concerning the cash value realized by the NEOs who exercised options during Fiscal 2015:

Name	Shares Acquired on Exercise	Grant Date	Exercise Price	Exercise Date	Closing Price on Exercise Date <sup>(1)</sup>	Value Realized on Exercise <sup>(2)</sup>
<b>Chris Dawson</b> .....	7,968	Feb. 1, 2009	\$0.15	Oct. 6, 2014	\$24.35	\$192,826
Vice President and General Manager, Global Sales and Consumer Experience Division	15,936	Aug. 1, 2010	\$0.15	Oct. 6, 2014	\$24.35	\$385,651
<b>Claude Ferland</b> .....	39,840	Nov. 1, 2009	\$0.15	May 15, 2014	\$29.11	\$1,153,766
Former CFO	39,840	Nov. 1, 2009	\$0.15	Apr. 15, 2014	\$29.21	\$1,157,750

(1) Closing price of the Subordinate Voting Shares on the TSX on the exercise date.

(2) Value realized upon exercise was determined by multiplying the number of stock options exercised by the difference between the closing price of the Subordinate Voting Shares on the TSX on the exercise date and the exercise price of the stock options.

## Securities Authorized for Issuance under Equity Compensation Plans

The following table provides a summary, as of January 31, 2015, of the security-based compensation plans or individual compensation arrangements pursuant to which equity securities of the Company may be issued:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Appearing in First Column)
Equity Compensation Plans Approved by Securityholders:			
Stock Option Plan.....	1,639,975	\$23.73	4,154,853
Legacy LTIP .....	534,364	\$1.34	-
Equity Compensation Plans not Approved by Securityholders .....	-	-	-
<b>Total</b> .....	<b>2,174,339</b>	<b>\$18.23</b>	<b>4,154,853</b>

See “Executive Compensation — Discussion and Analysis — Elements of Compensation — Long-Term Incentive Plans” and the sections “Executive Compensation — Discussion and Analysis — Elements of Compensation — Stock Option Plan” and “Executive Compensation — Discussion and Analysis — Elements of Compensation — Legacy LTIP” for descriptions of the Stock Option Plan and the Legacy LTIP. See “Compensation of Directors” for a description of the DSU Plan.

## Stock Option Plan

Under the Company’s Stock Option Plan, options may be granted to officers, employees and, in limited circumstances, consultants of the Company. Stock options are generally granted under the Stock Option Plan on an annual basis according to the Company’s compensation policy and pre-established



target awards adjusted according to individual performance. The first grants of options under the Stock Option Plan were made as of May 29, 2013 in connection with the closing of the Company's IPO.

A maximum of 5,814,828 Subordinate Voting Shares may be issued to participants, at any time, under the Stock Option Plan (the "**Stock Option Plan Reserve**"), which represented approximately 5% of the Company's issued and outstanding Shares as of the closing of the Company's IPO on May 29, 2013. As of January 31, 2015, 4,154,853 stock options remained available for future issuance under the Stock Option Plan, representing (i) 10.56% of the issued and outstanding Subordinate Voting Shares, and (ii) 3.51% of the issued and outstanding Shares.

During Fiscal 2015, a total of 777,500 stock options were granted under the Stock Option Plan to a total of 148 eligible participants, representing (i) 1.98% of the issued and outstanding Subordinate Voting Shares as at January 31, 2015, and (ii) 0.66% of the issued and outstanding Shares as at January 31, 2015. As of January 31, 2015, there were 1,639,975 issued and outstanding stock options under the Stock Option Plan, representing (i) 4.17% of the issued and outstanding Subordinate Voting Shares, and (ii) 1.39% of the issued and outstanding Shares. The stock options granted under the Stock Option Plan in Fiscal 2015 had the following features:

- time-based vesting, whereby 25% of the options vest on each of the first, second, third and fourth anniversary of the grant; and
- a ten-year term at the end of which the options expire.

Stock options are intended to align the interests of executive officers with those of shareholders towards an increase in the price of the Subordinate Voting Shares of the Company, while the ten-year expiry term and the four-year ratable vesting periods promote retention.

To the extent options granted under the Stock Option Plan terminate for any reason prior to their exercise in full or are cancelled, the Subordinate Voting Shares subject to such options shall be added back to the Stock Option Plan Reserve and such Subordinate Voting Shares will again become available for grant under the Stock Option Plan, the whole without increasing the Stock Option Plan Reserve.

The following additional limitations apply to grants under the Stock Option Plan: (i) the maximum number of Subordinate Voting Shares issuable to insiders and their associates and affiliates at any time under the Stock Option Plan, the Legacy LTIP and any other share compensation arrangements of the Company may not exceed 5% of the issued and outstanding Shares; (ii) the maximum number of Subordinate Voting Shares issued to insiders and their associates and affiliates within any one year period under the Stock Option Plan, the Legacy LTIP and any other share compensation arrangements of the Company may not exceed 5% of the issued and outstanding Shares; and (iii) the total number of Subordinate Voting Shares issuable to any one participant at any time under the Stock Option Plan, the Legacy LTIP and any other share compensation arrangement of the Company may not exceed 5% of the issued and outstanding Shares.

All stock options granted have an exercise price determined and approved by the HRNGC at the time of grant, which may not be less than the market value of the Subordinate Voting Shares at such time.

The Stock Option Plan also provides that appropriate substitutions or adjustments, if any, shall be made by the Board of Directors, subject to any required approval of the TSX, in connection with a reclassification, reorganization or other change of shares, consolidation, distribution, merger or amalgamation, in order to maintain the optionees' economic rights in respect of their options in connection with such change, including adjustments to the exercise price and/or the number of Subordinate Voting Shares to which an optionee is entitled upon exercise of stock options, adjustments permitting the immediate exercise of any outstanding stock options that are not otherwise exercisable or adjustments to the number or kind of shares reserved for issuance pursuant to the Stock Option Plan.



The Board of Directors may in its discretion accelerate the vesting of any outstanding stock options notwithstanding the previously established vesting schedule, regardless of any adverse or potentially adverse tax consequences resulting from such acceleration.

The following table describes the impact of certain events upon the rights of holders under the Stock Option Plan, including resignation, termination for cause, termination other than for cause, termination other than for cause within 12 months following a change of control or retirement, death or disability:

<b>Event</b>	<b>Provisions</b>
Termination for cause or resignation .....	Forfeiture of all vested and unvested options on date of termination for cause or resignation
Termination without cause.....	60 days after termination to exercise vested options / Forfeiture of all unvested options on termination date
Termination without cause within 12 months of a Change of Control <sup>(1)</sup> .....	Immediate vesting of all unvested options / 180 days after termination to exercise options
Retirement.....	Forfeiture of all unvested options on date of retirement / 12 months after date of retirement to exercise vested options
Disability, Death.....	Forfeiture of all unvested options on date of disability or death / 12 months after date of disability or death to exercise vested options

(1) For the purposes of the Stock Option Plan, "Change of Control" is defined as the acquisition by any person or group of persons acting jointly or in concert (other than holders of Multiple Voting Shares and their affiliates) of securities of the Company carrying the right to elect a majority of the Board of Directors of the Company.

The Board of Directors may amend the Stock Option Plan or any stock option at any time without the consent of the optionees provided that such amendment will (i) not adversely alter or impair any stock option previously granted except as permitted by the terms of the Stock Option Plan, (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSX, and (iii) be subject to shareholder approval, where required, by law, the requirements of the TSX or the Stock Option Plan, provided however that shareholder approval is not required for the following amendments and the Board of Directors may make any changes which may include but are not limited to:

- amendments of a "housekeeping" nature;
- a change to the provisions of any stock option governing vesting, assignability and effect of termination of a participant's employment;
- the introduction or amendment of a cashless exercise feature payable in cash or securities, whether or not such amendment provides for a full deduction of the number of underlying securities from the Stock Option Plan Reserve;
- the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted;
- a change to advance the date on which any stock option may be exercised under the Stock Option Plan; and
- a change to the eligible participants of the Stock Option Plan, provided that no such change results in members of the Board of Directors who are not otherwise employees of the Company becoming eligible participants.

For greater certainty, the Board of Directors is required to obtain shareholder approval to make the following amendments:



- any increase to the maximum number of Subordinate Voting Shares issuable from treasury pursuant to stock options granted under the Stock Option Plan, other than an adjustment pursuant to a change in capitalization;
- any reduction in the exercise price of a stock option after the stock option has been granted or any cancellation of such stock option and the substitution of that stock option by a new stock option with a reduced exercise price, except in the case of an adjustment pursuant to a change in capitalization;
- any extension of the expiry date of a stock option, except in case of an extension due to a black-out period;
- any amendment to remove or to exceed the percentage limits with respect to (i) the maximum number of Subordinate Voting Shares issuable to insiders and their associates and affiliates at any time; (ii) the maximum number of Subordinate Voting Shares issued to insiders and their associates and affiliates within any one year period; or (iii) the total number of Subordinate Voting Shares issuable to any one participant at any time; and
- any amendment to the amendment provisions of the Stock Option Plan.

Stock options granted under the Stock Option Plan are not transferable, except that an optionee may, with the prior approval of the Company, transfer stock options to (i) such optionee's family or retirement savings trust for *bona fide* tax planning purposes, and (ii) registered retirement savings plans or registered retirement income funds of which the optionee is the annuitant.

No financial assistance is currently provided by the Company to participants under the Stock Option Plan.

### **Legacy LTIP**

The Legacy LTIP was established in 2003 in connection with the acquisition by the Company of the recreational products division of Bombardier Inc. Pursuant to the Legacy LTIP, stock options to purchase shares of the Company were previously granted to certain employees and officers of the Company.

The stock options issued under the Legacy LTIP were granted at exercise prices equal to the fair market value of the underlying shares at the time of initial grant. The exercise price was subsequently adjusted in accordance with the terms of the Legacy LTIP to reflect dividends paid or capital distributions made by the Company prior to its IPO. The exercise price, the class and the number of shares underlying each option were also adjusted in the context of the Company's IPO to reflect the exchange of shares and the share consolidation implemented immediately prior to the closing of the IPO in order to create a class of multiple voting shares and a class of subordinate voting shares.

Since the Company's IPO, no stock options were granted under the Legacy LTIP nor will stock options be granted in the future thereunder. A total of 534,364 stock options were outstanding under the Legacy LTIP as of January 31, 2015, and the Subordinate Voting Shares issuable upon exercise of such stock options represented as of such date in the aggregate: (i) 1.36% of the issued and outstanding Subordinate Voting Shares, and (ii) 0.45% of the issued and outstanding Shares. As of January 31, 2015, there were 2,174,339 stock options outstanding under the Stock Option Plan and the Legacy LTIP and the Subordinate Voting Shares issuable upon exercise of such stock options represented as of such date in the aggregate: (i) 5.53% of the issued and outstanding Subordinate Voting Shares, and (ii) 1.84% of the issued and outstanding Shares.

The Legacy LTIP provides that appropriate adjustments may be made by the Board of Directors in connection with a reclassification, reorganization or other change of shares, a consolidation, a distribution, a merger or an amalgamation in order to maintain the optionees' economic rights in respect of their stock options, including adjustments to the exercise price and/or the number of Subordinate



Voting Shares to which an optionee is entitled upon exercise of stock options or permitting the immediate exercise of any outstanding stock options that are not otherwise exercisable.

The Legacy LTIP includes terms and conditions required by the TSX for a stock option plan such as provisions and restrictions relating to amendment of the plan or stock options similar to those applicable to the Stock Option Plan summarized above under “Stock Option Plan”, and the restrictions on insider or individual participation summarized above under “Stock Option Plan”.

## **Pension Plan Benefits**

### *Defined Benefit Plans*

The Canadian executives of the Company, including the NEOs, participate in two defined benefit pension plans: a basic plan and a supplemental plan. Executives are not required to make mandatory contributions under the defined benefit pension plans. However, these NEOs may make optional ancillary contributions in order to provide for additional ancillary benefits at retirement or termination, subject to applicable legislation.

Benefits payable from the basic plan correspond to 2% of average base salary in the three continuous years of service during which the executives are paid their highest salary (up to the maximum earnings for each year, which was set at \$140,945 for Fiscal 2015) multiplied by the number of years of credited service.

The supplemental plan provides for additional benefits, depending on the management level of each executive, of:

- 2% of average base salary up to \$140,945 plus 1.75% of average base salary in excess of that amount;
- 2.25% of average base salary; or
- 2.50% of average base salary;

multiplied by the number of years of credited service (up to 40) less the pension payable under the basic plan.

Bonuses and any other compensation are not considered in the computation of pension benefits. Benefits are reduced by 0.33% for each month between the date of early retirement and the date of a participant's 60<sup>th</sup> birthday or, if earlier, the date at which the participant's age plus his/her years of service total 85. No benefits are payable from the supplemental plan if a participant has not completed five years of service. Upon the death of a participant, the spouse of the participant will be entitled to a benefit equal to 60% of the benefit to which such participant was entitled. If the participant has no spouse at the time of retirement, the benefits will be paid, after death, to the designated beneficiary until such time as 120 monthly installments, in the aggregate, have been paid to the participant and/or to the designated beneficiary.

All pension benefits payable from these plans are in addition to government social security benefits.

For Fiscal 2015, under the supplemental plan, Ms. Cirillo and Messrs. Martel, Villemure and Dawson were entitled to an accrual rate of pension of 2.25% and Mr. Boisjoli was entitled to an accrual rate of pension of 2.50%.

Mr. Gerd Ohrnberger did not participate in the two defined benefit pension plans in Fiscal 2015.



Name	Number of Years of Credited Service <sup>(1)</sup> (#)	Annual Benefit Payable		Opening Present Value of Defined Benefit Obligation <sup>(2)</sup> (\$)	Change in Benefit Obligation During the Year		Closing Present Value of Defined Benefit Obligation <sup>(5)</sup> (\$)
		At Year End (\$)	At Age 65 (\$)		Compensatory Change <sup>(3)</sup> (\$)	Non-Compensatory Change <sup>(4)</sup> (\$)	
<b>José Boisjoli</b> President and CEO	25.92	590,000	793,800	8,649,000	340,000	2,174,000	11,163,000
<b>Sébastien Martel</b> CFO	10.83	66,100	263,500	511,000	175,000	725,000	1,411,000
<b>Alain Villemure</b> Vice President and General Manager, Marine Propulsion Systems Division	19.17	170,900	284,400	1,957,000	101,000	1,018,000	3,076,000
<b>Chris Dawson</b> <sup>(6)</sup> Vice president and general manager, Global Sales and Consumer Experience Division	10.50	141,400	347,500	1,590,000	212,000	834,000	2,636,000
<b>Giulia Cirillo</b> <sup>(7)</sup> Senior Vice President, Global Human Resources and Health, Safety & Security	3.75	27,200	122,200	255,000	97,000	135,000	487,000
<b>Claude Ferland</b> <sup>(8)</sup> Former CFO	5.33	92,300	95,400	1,230,000	272,000	149,000	1,651,000
<b>Gerd Ohrnberger</b> <sup>(9)</sup> Former Vice President and General Manager, Product Engineering and Manufacturing Operations Division	-	-	-	-	-	-	-

(1) As at January 31, 2015.

(2) For the purpose of our calculations, we used the closing January 31, 2014 assumptions described in our March 11, 2014 accounting report entitled "Employee Future Benefits".

(3) The compensatory change includes the annual service cost as well as the change in accrued benefit obligation attributable to the impact of the differences between actual earnings for the year and earnings estimated in the previous year's calculations.

(4) The non-compensatory change amount represents the change in the accrued benefit obligation during the year attributable to items that are not related to earnings, such as assumption changes and interest on the accrued obligation. Key assumptions include a discount rate of 4.60% per year to calculate the accrued benefit obligation at start of year and the annual service cost and a discount rate of 3.50% to calculate the accrued benefit obligation at year end. The CPM-RPP 2014 Private Sector Mortality tables (Scale A1-2014) are used to calculate the accrued benefit obligation at start of year and the annual service cost. The CPM 2014 Private Sector Mortality tables (Scale 1B) are used to calculate the benefit obligation at year end.

(5) For the purpose of our calculations, we used the closing January 31, 2015 assumptions described in our February 26, 2015 accounting report entitled "Employee Future Benefits".

(6) This participant was also credited 6.50 years of service in the US Supplementary Pension Plan. The benefits under this plan are offset by the benefits provided by the 401(k) and the Bombardier Corp (frozen annual pension of \$6,453) Pension Plans. The amounts exclude the annual pension from Bombardier Corp.

(7) These figures do not take into account that no benefits are payable from the Supplementary Plan if a participant has not completed five years of service.

(8) Mr. Ferland ceased to serve as the Company's CFO on May 1, 2014. Effective as of the same date, Mr. Sébastien Martel was appointed as CFO. This participant was credited two (2) years of service for the first four years of regular participation in the Supplementary Pension Plan.

(9) Mr. Ohrnberger ceased to serve as the Company's Vice President and General Manager, Product Engineering and Manufacturing Operations Division, on January 9, 2015. Until February 1, 2013, Mr. Gerd Ohrnberger participated in the Austrian Rotax Pension Plan providing for benefits equal to 2% of base salary multiplied by the number of years of service



credited. The pension benefits are partially offset by the government social security benefit. As of February 1, 2013, Mr. Gerd Ohrnberger transferred his defined benefit pension value to a funded defined contribution plan. This plan is also offered to other employees. Under this plan, the employer's contribution is 1.6% of base salary up to the social security covered compensation (62,160 Euros in Fiscal 2014 and 63,420 Euros in Fiscal 2015 plus 8.7% of his base salary above the social security covered compensation.

### Defined Contribution Plans

Name	Accumulated Value at Start of Year (\$)	Compensatory (\$)	Accumulated Value at Year End <sup>(1)</sup> (\$)
<b>Sébastien Martel</b> <sup>(2)</sup> CFO	52,200	0	57,100
<b>Alain Villemure</b> <sup>(3)</sup> Vice President and General Manager, Marine Propulsion Systems Division	29,200	0	32,400
<b>Chris Dawson</b> <sup>(4)</sup> Vice president and general manager, Global Sales and Consumer Experience Division	137,100	0	209,500
<b>Gerd Ohrnberger</b> <sup>(5)</sup> Former Vice President and General Manager, Product Engineering and Manufacturing Operations Division	1,048,900	33,400	1,173,000

(1) As at January 31, 2015.

(2) Value accumulated during his participation in the Employee Pension Plan, from January 1, 2005 to June 1, 2007.

(3) Value accumulated during his participation in the Employee Pension Plan, from January 1, 1996 to April 1, 1999.

(4) Value accumulated during his participation in the U.S. Plans, from February 1, 1998 to August 1, 2004.

(5) Mr. Ohrnberger ceased to serve as the Company's Vice President and General Manager, Product Engineering and Manufacturing Operations Division, on January 9, 2015. The accumulated value at year end is the estimated value at termination of employment (January 9, 2015) converted to Canadian dollars using an exchange rate of 1.4357, being the noon rate of exchange posted by the Bank of Canada for conversion of Euros into Canadian dollars on January 30, 2015.

### Termination and Change of Control Benefits

The Company has entered into executive employment agreements with each of the NEOs. These agreements provide for, among other things, the continuation of the executive's employment for an indeterminate term in accordance with applicable law, as well as such NEO's base salary, bonus entitlement, vacations, insurance coverage, pension benefits, perquisites and other matters related to the NEO's employment.

The following table describes the entitlement of NEOs in the event of a termination without cause within 12 months following a Change of Control (see table below for definition).



	<b>CEO</b>	<b>CFO, Vice Presidents and General Managers, Senior Vice Presidents</b>
<b>Triggering events (double trigger) ....</b>	Termination of employment without cause within 12 months following a Change of Control <sup>(1)</sup>	Termination of employment without cause within 12 months following a Change of Control <sup>(1)</sup>
<b>Severance calculation .....</b>	24 months of base salary + target bonus	18 months of base salary + target bonus
<b>Method of severance payment .....</b>	Lump sum	Lump sum
<b>Continuation of benefits (health care, but excluding disability)<sup>(2)(3)</sup> .....</b>	24 months	18 months
<b>Vesting of stock option awards .....</b>	Immediate vesting of all unvested stock options  180 days after termination to exercise stock options	Immediate vesting of all unvested stock options  180 days after termination to exercise stock options

(1) Change of Control under the relevant employment agreements has the same meaning as ascribed thereto under the Stock Option Plan, meaning the acquisition by any person or group of persons acting jointly or in concert (other than holders of Multiple Voting Shares and their affiliates) of securities of the Company carrying the right to elect a majority of the board of directors of the Company.

(2) Car benefits, Company products allowance, financial services and annual medical services cease after 12 months following the termination.

(3) Health care coverage ceases earlier if new employment found before end of severance period.

The following table describes the entitlement of NEOs in the event of a termination without cause:

	<b>CEO</b>	<b>CFO, Vice Presidents and General Managers, Senior Vice Presidents</b>
<b>Triggering event .....</b>	Termination without cause	Termination without cause
<b>Severance calculation .....</b>	24 months of base salary + target bonus	12 months of base salary + target bonus
<b>Method of severance payment .....</b>	Monthly installments	Monthly installments
<b>Continuation of benefits (health care, but excluding disability)<sup>(1)(2)</sup> .....</b>	24 months	12 months
<b>Retirement plan – credit of years of service .....</b>	Credit with an additional 24 months of service	Credit with an additional 12 months
<b>Vesting of stock option awards .....</b>	Forfeiture of all unvested stock options 60 days after termination to exercise vested stock options	Forfeiture of all unvested stock options 60 days to exercise vested stock options after termination

(1) Car benefits, Company products allowance, financial services and annual medical services cease after 12 months following the termination.

(2) Health care coverage ceases earlier if new employment found before end of severance period.

The following table sets forth estimates of the amounts payable to each of the NEOs who were employed by the Company as at the end of Fiscal 2015 upon a termination without cause or upon a termination without cause within 12 months following a Change of Control:



Name of the NEO	Termination Without Cause <sup>(1)</sup> (\$)	Termination Without Cause Within 12 months of a Change of Control <sup>(2)</sup> (\$)
<b>José Boisjoli</b> ..... President and CEO	5,222,560	4,469,660
<b>Sébastien Martel</b> ..... CFO	818,736	1,381,771
<b>Alain Villemure</b> ..... Vice President and General Manager, Marine Propulsion Systems Division	1,121,278 <sup>(3)</sup>	1,426,266 <sup>(3)</sup>
<b>Chris Dawson</b> ..... Vice President and General Manager, Global Sales and Consumer Experience Division	1,000,940	1,405,226
<b>Giulia Cirillo</b> ..... Senior Vice President, Global Human Resources and Health, Safety & Security	707,413	2,101,246

(1) Amounts represent payment based on such NEO's base salary and entitlement under the Company's STIP, if any (based on target amount). The amounts assume a termination as of January 31, 2015.

(2) Amounts represent payment based on such NEO's base salary and entitlement under the Company's STIP, if any (based on target amount) and value of unvested stock options. The amounts assume a termination as of January 31, 2015.

(3) Represent amounts of U.S.\$881,716 (termination without cause) and U.S.\$1,121,543 (termination without cause within 12 months of Change of Control) converted in Canadian dollars using an exchange rate of 1.2717, being the noon rate of exchange posted by the Bank of Canada for conversion of U.S.\$ into Canadian dollars on January 30, 2015.

A NEO is not entitled to receive any payment under the STIP if the effective date of his or her termination for cause or resignation occurs prior to the end of the fiscal year in respect of which the payout under the STIP is calculated. In addition, on the effective date of a NEO's termination for cause or resignation, all such NEO's vested and unvested options are forfeited and all his or her other benefits are terminated.

The Company has also entered into non-competition, non-solicitation and non-disclosure agreements with each of the NEOs. These agreements contain contractual covenants in favour of the Company, which includes a perpetual confidentiality covenant and a non-competition covenant which applies for a period of two years after the NEO's termination of employment. NEOs are also subject to non-solicitation covenants in respect of employees and customers which apply for a period of two years after the NEO's termination of employment.

Mr. Ferland's termination of employment as CFO of the Company occurred on May 1, 2014. In accordance with the terms of his employment agreement with the Company and the terms of the Company's various compensation plans, Mr. Ferland was entitled to receive an aggregate amount of \$865,569 representing:

- a cash severance payment in the amount of \$452,725, corresponding to twelve (12) months of base salary, payable in 12 monthly installments;
- an amount of \$339,544, representing Mr. Ferland's annual target payment under the STIP;
- an amount of \$17,413 in lieu of the legal notice prior to termination;



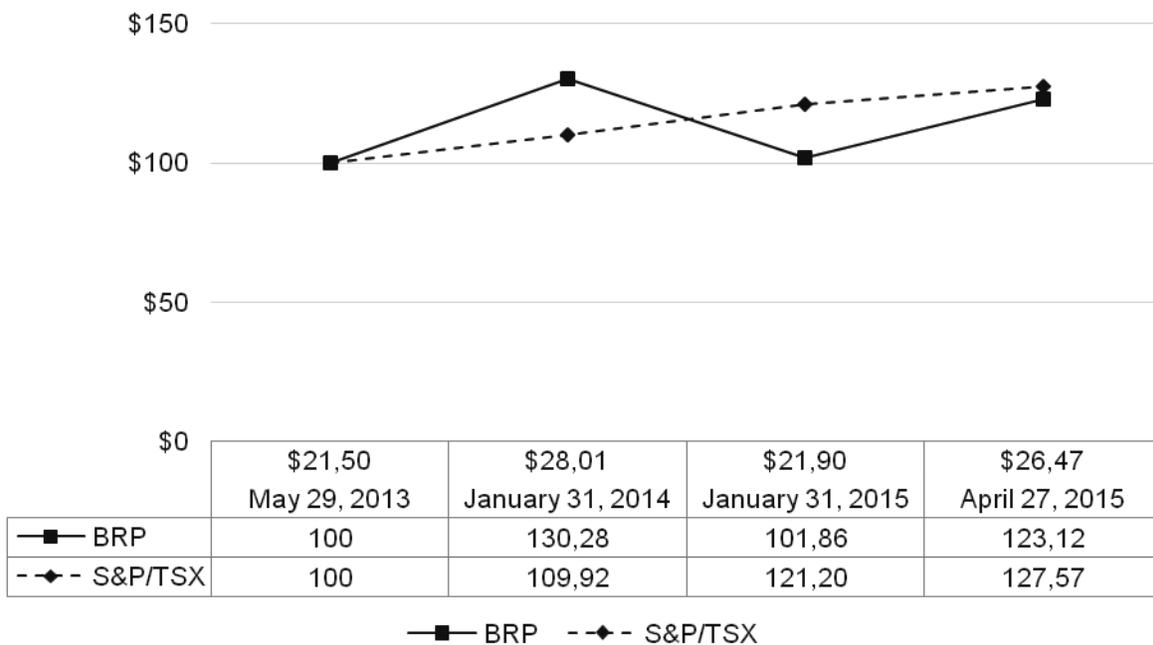
- an amount of \$55,887 representing Mr. Ferland’s annual vacation owed from Fiscal 2014 and accrued in Fiscal 2015;
- 12 months additional credit to the retirement plan; and
- health care coverage, car benefits, Company products allowance, financial services and annual medical services until April 30, 2015.

Mr. Ohrnberger’s resignation as Vice President and General Manager, Product Engineering and Manufacturing Operations Division occurred on January 9, 2015. Mr. Ohrnberger was entitled to receive the following amounts:

- an amount of approximately \$95,073 representing Mr. Ohrnberger’s annual vacation owed from Fiscal 2014 and accrued in Fiscal 2015; and
- an amount of \$273,420, representing Mr. Ohrnberger’s annual payment under the STIP, as described in section entitled “Short-term Incentive Plan”.

### Performance Results

The following performance graph illustrates the cumulative return on a \$100 investment in the Subordinate Voting Shares made on May 29, 2013, being the date on which the Subordinate Voting Shares started trading on the TSX, compared with the cumulative return on the S&P/TSX Composite Index for the same period. No dividends have been paid by the Company during the covered period.



Fiscal 2015 represented the Company’s first full fiscal year as a public company. During the period commencing at the closing of the IPO on May 29, 2013 up to January 31, 2015, the cumulative shareholder return on an investment in the Subordinate Voting Shares was below that of an investment on the S&P/TSX Composite Index. However, since the Company completed its initial public offering in May 2013, there is limited history of its Subordinate Voting Shares trading on the TSX and it may not be possible to draw conclusions from short term trends. As evidenced by the graph above, at different times since the Company’s IPO, the Subordinate Voting Shares outperformed the S&P/TSX Composite Index, while at other times it lagged the Index.



The following table provides a comparison of the variation of the total return for shareholders of the Company with the compensation of the Named Executive Officers and the variation of the Normalized EBITDA during the past two fiscal years:

	<b>Fiscal 2015</b>	<b>Fiscal 2014</b>
Total Shareholder Return (DOO) (%)	-21.8%	30.3%
Total direct compensation of the Named Executive Officers <sup>(1)</sup> (in millions of \$)	9.8	9.8
Normalized EBITDA (in millions of \$)	421.3	380.2
Total direct compensation of the Named Executive Officers <sup>(1)</sup> as a % of Normalized EBITDA	2.33%	2.58%

(1) Relates to the NEOs who were employed by the Company as at the end of Fiscal 2015.

Since the IPO, the overall compensation of the Company's executive officers has remained at the same level and slightly decreased as a percentage of the normalized EBITDA. Although it is not possible to draw conclusions with respect to the link between the Company's executive officers compensation and its profitability, the overall level of compensation of the Company's executive officer is in line with the Company's compensation philosophy, which is to pay fair, reasonable and competitive compensation with a particular emphasis on share-based compensation in order to best align the interests of its executive officers with those of its shareholders.



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## DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

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### Board of Directors

#### *Independence and Tenure*

The Board of Directors is comprised of 13 directors, five of whom are independent. Pursuant to NI 52-110, an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with a director's exercise of independent judgment. Messrs. Hanley, O'Neill, Philip and Mazzorin and Ms. Métayer are independent under these standards. Mr. Boisjoli is not independent under these standards as he is the President and Chief Executive Officer of the Company. Ms. Hao and Messrs. Bekenstein, Nomicos and Robbins are not considered independent because of their relationship with BCI. Messrs. Beaudoin and Laporte are not considered independent as they are part of the management of Beaudier and Mr. Bombardier is not considered independent as he is part of the management of 433618. See "General Information - Voting Shares Outstanding and Principal Shareholders". Although in the view of the Board of Directors, such directors are not independent for the purposes of NI 52-110, 12 of the 13 directors are not members of the Company's management.

The Company has taken steps to ensure that adequate structures and processes are in place to permit the Board of Directors to function independently of management of the Company. For instance, at every regularly scheduled meeting of the Board of Directors, there is a private session where the members of the management, including the President and CEO, are not present. In addition, any independent director may, at any time, if considered necessary to facilitate open and candid discussion among the independent directors, call a meeting or request an in camera session without management and non-independent directors present. No such meetings were held during Fiscal 2015.

The Human Resources, Nomination and Governance Committee is charged under its charter with selecting candidates for election as independent directors, including replacements for designees of CDPQ, Beaudier Group and/or Bain, as applicable, as and when they lose the right to designate a member of the Board under the Nomination Rights Agreement. See "Disclosure of Corporate Governance Practices — Board of Directors Committees — Human Resources, Nomination and Governance Committee" and "Business of the Meeting - Election of Directors".

The Board of Directors has not adopted term limits, a retirement policy for its directors or other mechanism of board renewal. Instead, the Board of Directors intends to annually conduct an evaluation of the Board of Directors, the committees of the Board of Directors, the committee chairs and each member of the Board of Directors to comprehensively assess the performance, skills and contribution of each director and determine whether adjustments are warranted.

#### *Directorship of Other Reporting Issuers*

Members of the Company's Board of Directors are also members of the boards of other public companies. See "Business of the Meeting - Election of Directors - Description of Proposed Director Nominees". The Board of Directors did not adopt a director interlock policy but is keeping informed of other public directorships held by its members. As at April 27, 2015, none of the Company's directors serve together on any other company's board of directors, other than Messrs. Beaudoin and Bombardier who both serve on the board of directors of Bombardier Inc., and Messrs. Bekenstein and Nomicos who both serve on the board of directors of Dollarama Inc.



## *Mandate of the Board of Directors*

The Board of Directors is responsible for supervising the management of the Company's business and affairs. The Board of Directors' key responsibilities relate to the stewardship of management, generally through the CEO to pursue the best interests of the Company, and include the following: adopting a strategic planning process, overseeing technologies, capital investments and projects, identifying risks and ensuring that procedures are in place for the management of those risks, reviewing internal controls and reporting, reviewing and approving annual operating plans and budgets, overseeing corporate social responsibility and ethics, reviewing the integrity of the CEO and the other executive officers and ensuring that the CEO and other executive officers create a culture of integrity, succession planning, including the appointment, training and supervision of management, overseeing leadership development and executive compensation, overseeing nomination process for new directors (subject to the charter of the HRNGC and the Nomination Rights Agreement), overseeing the Company's corporate governance policies and practices, reviewing and authorizing delegations and general approval guidelines for management, monitoring financial reporting, monitoring internal controls and management information systems, seeking to ensure that the Company has a corporate disclosure and communications policy in place in accordance with the guidance set out in National Policy 51-201 – *Disclosure Standards*, adopting measures for receiving feedback from stakeholders and adopting key corporate policies designed to ensure that the Company, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct their business ethically, with honesty and integrity and taking into account the Company's corporate social responsibility.

Under its mandate, the Board of Directors is entitled, among other things, to delegate certain matters it is responsible for to Board committees and to engage outside advisers, at the Company's expense, where, in its view, additional expertise or advice is required. The text of the Board of Director's mandate is attached to this Circular as Schedule A.

## **Position Descriptions**

### *The Chairman of the Board of Directors and Committee Chairs*

Mr. Laurent Beaudoin is the Chair of the Board of Directors. The Board of Directors has adopted a written position description for the Chair of the Board of Directors which sets out the chair's key responsibilities, including duties relating to setting Board of Directors meeting agendas, chairing Board of Directors and shareholder meetings, director development, Board of Directors, committee and director assessment, the chair's leadership in ensuring that the Board of Directors works as a cohesive team, monitoring the work of the committees to ensure that delegated projects or responsibilities are carried out and reported to the Board of Directors and communicating with shareholders and regulators.

The Board of Directors has also adopted a written position description for each of the committee chairs which sets out each of the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings, working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee and reporting to the Board of Directors.

### *The CEO*

The primary functions of the CEO are to lead the day-to-day management of the Company's business and affairs and to lead the implementation of the resolutions and the policies of the Board of Directors.

The Board of Directors has developed a written position description and mandate for the CEO which sets out the CEO's key responsibilities, including duties relating to providing leadership in managing the Company, ensuring that matters requiring decisions by the Board of Directors are brought to its attention in a timely fashion, fostering a corporate culture that promotes ethical practices, individual



integrity and that maintains a positive work climate that is conducive to attracting, retaining and motivating top-quality employees, providing leadership to management in support of the Company's commitment to corporate social responsibility, ensuring the implementation of the strategic and operating plans approved by the Board of Directors and developing an annual business plan and budget that supports such strategic plan, identifying and managing risks related to the business of the Company, ensuring the accuracy, completeness and integrity of the Company's corporate disclosure, develop and implement an effective communications policy, serving as a spokesperson for the Company and ensuring proper communication between the Company's management and the Board of Directors.

### **Board of Directors Committees**

The Board of Directors ensures that the composition of its committees meets applicable statutory independence requirements as well as any other applicable legal and regulatory requirements.

#### *Audit Committee*

The Audit Committee must be composed of a minimum of three directors, each of whom is independent and meets the criteria for financial literacy established by applicable laws, including NI 52-110. The Audit Committee is composed of Messrs. Hanley, O'Neill, Mazzorin and Ms. Métayer, all of whom are independent and meet the criteria for financial literacy established by applicable laws, including NI 52-110. Mr. Hanley is the chair of the Audit Committee.

The Board has adopted a written charter describing the mandate of the Audit Committee. The charter of the Audit Committee reflects the purpose of the Audit Committee, which is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to ensuring that adequate procedures are in place for the review of the Company's public disclosure documents that contain financial information, ensuring that an effective internal audit process has been implemented, ensuring that an effective risk management and financial controls framework has been implemented and tested by the Company's management, providing better communication between directors, management, internal auditors and external auditors, overseeing the work and reviewing the independence of the external auditors and reporting to the Board of Directors on any outstanding issue.

Additional information relating to the Audit Committee can be found in the section entitled "Audit Committee Information" of the Company's annual information form available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### *Human Resources, Nomination and Governance Committee*

The Human Resources, Nomination and Governance Committee must be composed of five directors, a majority of whom are independent. The HRNGC is currently composed of Messrs. Bekenstein, Hanley, Laporte, O'Neill and Philip. All members of the HRNGC have a working familiarity with corporate governance, human resources and compensation matters. Mr. Joshua Bekenstein is the chair of the HRNGC.

The Board of Directors has adopted a written charter describing the mandate of the HRNGC. The charter of the HRNGC reflects the purpose of the HRNGC, which is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to the establishment of key human resources and compensation policies (including all incentive and equity based compensation plans), the performance evaluation of the CEO and the CFO, the determination of the compensation for the CEO, the CFO and other senior executives of the Company, succession planning (including the appointment, training and evaluation of senior management), the compensation of directors, identifying individuals qualified to be nominated as members of the Board of Directors (subject to the terms of the Nomination Rights Agreement), developing corporate governance guidelines and principles for the Company, assessing the structure, composition, performance and effectiveness of Board of Directors committees, evaluating the



performance and effectiveness of the Board of Directors and reporting to the Board of Directors on any outstanding issue.

In order to encourage an objective process for determining compensation, the HRNGC retains, as needed, the services of a global professional services firm and conducts extensive benchmarking. The HRNGC intends to annually conduct, review and report to the Board of Directors the results of an assessment of the performance and effectiveness of the Board of Directors, the committees of the Board of Directors, the committee chairs and each member of the Board of Directors.

The charter of the HRNGC also provides that the committee is charged with selecting candidates for election as directors, including replacements for designees of CDPQ, Beaudier Group and/or Bain, as applicable, as and when they lose their rights to designate directors under the Nomination Rights Agreement. In identifying new candidates for the Company's Board of Directors, the HRNGC will consider what competencies and skills the Board of Directors, as a whole, should possess, assess what competencies and skills each existing director possesses, considering the Board of Directors as a group, with each individual making his or her own contribution, the personality and other qualities of each director and the overall diversity of the Board of Directors as these may ultimately determine the boardroom dynamic. Individuals selected as nominees shall have the highest personal and professional integrity, shall have demonstrated exceptional ability and judgment and shall, in the opinion of the HRNGC, be most effective, in conjunction with the other directors, in collectively serving the long-term interests of the shareholders.

The following matrix provides a summary of the competencies, skills, experience and expertise that each serving director possesses as well as other information that may be relevant for purposes of identifying new directors.

Nominees	Board and Committees <sup>(1)</sup>				Knowledge of Certain Industries						Other				Independence	Geographic	Age	Gender (M/F)
	Board	Audit Committee	Investment and Risk Committee	Human Resources, Nomination and Governance Committee	Risk Management	Finance	Accounting	Strategy	Marketing	Human Resources	Supply Chain / Procurement	Consumer Goods & Durable	Automotive, Industrial Machinery & Equipment	Financial Services / Banking / Markets				
Laurent Beaudoin	C					X	X	X		X			X	X	NI	Canada	76	M
Joshua Bekenstein	X			C		X		X		X			X		NI	USA	56	M
José Boisjoli	X				X	X		X	X	X	X	X			NI	Canada	57	M
J.R. Bombardier	X					X		X				X			NI	Canada	72	M
Michael Hanley	X	C		X	X	X	X	X		X			X	X	I	Canada	49	M
Yvonne Hao	X		X		X	X		X	X		X		X	X	NI	USA	40	F
Louis Laporte	X		C	X	X	X	X	X		X		X	X		NI	Canada	54	M
Carlos Mazzorin	X	X	X		X	X		X		X		X			I	USA	73	M
Estelle Métayer	X	X				X		X	X		X				I	Canada	45	F
Nicolas G. Nomicos	X					X		X			X				NI	USA	52	M
Daniel J. O'Neill	X	X		X		X		X	X	X	X				I	Canada	63	M
Edward Philip	X	X		X		X		X			X		X	X	I	USA	50	M
Joseph Robbins	X					X		X				X	X		NI	USA	35	M

(1) Nominees marked with "C" are Chair persons.

In fulfilling its duties regarding the selection of new candidates to the Board of Directors, the HRNGC retains from time to time the services of an outside advisory firm in order to provide additional expertise and encourage an objective nominating process.

Finally, the HRNGC is also responsible for monitoring the succession planning process for the executive officers and other key members of senior management, with a specific focus on the succession of the President and Chief Executive Officer. During Fiscal 2015, the HRNGC has reviewed significant



changes in the organization's structure as they arose and their impact on executive roles. The objective of this process is to identify individuals who are able to move into key leadership roles not only in the normal course of the Company's growth but also in the event of an unplanned vacancy, and to assist these individuals in developing their skills and competencies. During Fiscal 2015, the HRNGC has reviewed the succession plan status for all executive officers and has assessed whether there is a readiness to fill potential vacancies, has identified the qualified individuals to fill such vacancies on both an immediate and longer-term basis, has determined whether there are any gaps in readiness, has identified roles for which an external talent search may be required, and has determined how the executive succession planning process can be improved. The directors, including the members of the HRNGC, also meet with members of the management team through their participation in meetings and presentations to the Board or Board Committees, as well as occasionally through site visits or informal meetings throughout the year, which allows Board members to identify and get better acquainted with members of the management team who are potential future leaders of the Company and to obtain a broader perspective on issues relevant to the Company.

The charter of the HRNGC may not be amended without the written consent of each Principal Shareholder party to the Nomination Rights Agreement at the relevant time. In addition, for so long as each of Bain and the Beaudier Group continue to have the right to designate at least one member of the Board of Directors, each will have the right to appoint one member of the Board of Directors to the Human Resources, Nomination and Governance Committee. See "Disclosure of Corporate Governance Practices — Nomination Rights Agreement".

#### *Investment and Risk Committee*

The investment and risk committee of the Company (the "**Investment and Risk Committee**") is composed of a minimum of three directors. The Investment and Risk Committee is currently composed of Messrs. Laporte, Boisjoli, Mazzorin and Philip and Ms. Hao. All members of the Investment and Risk Committee have a working familiarity with corporate finance and investment matters. Mr. Louis Laporte is the Chair of the Investment and Risk Committee.

The Board of Directors has adopted a written charter describing the mandate of the Investment and Risk Committee. The charter of the Investment and Risk Committee reflects the purpose of the Investment and Risk Committee, which is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to the Company's risk management practices, proposed issues of securities and the utilization of financial instruments, reviewing and then approving or rejecting proposed significant transactions (including proposed acquisitions and dispositions of assets or properties), reviewing and approving or rejecting proposed significant capital expenditures and reporting to the Board of Directors on any outstanding issue.

#### **Orientation and Continuing Education**

The Company has implemented an orientation program for new directors under which a new director will meet separately with the Chair of the Board of Directors and members of the senior executive team. A new director will be presented with the Board of Directors policies and procedures, the Company's current strategic plan, financial plan and capital plan, the most recent annual and quarterly reports and materials relating to key business issues.

The chair of each committee is responsible for coordinating orientation and continuing director development programs relating to the committee's mandate. The Chair of the Board of Directors is responsible for instituting learning programs for directors. All members of the Board of Directors are members of the Institute of Corporate Directors – a recognized professional association – which provides access to information, events and training on directors' role and obligations, and on governance. The membership fees are paid by the Company.



## Code of Ethics

The Company has a written code of ethics (the “**Code of Ethics**”) that applies to all directors, officers, management and employees of the Company, including those employed by subsidiaries. The objective of the Code of Ethics is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Company, its subsidiaries and business units. The Code of Ethics addresses matters relating to conflicts of interest, political activity, communication with media, corrupt practices, acceptance of gifts, health, safety and environment, alcohol and drugs, protection of the Company’s assets, confidentiality, fair dealing with the Company’s securityholders, customers, suppliers, competitors and employees, compliance with laws and reporting any illegal or unethical behavior. As part of the Company’s Code of Ethics, any person subject to the Code of Ethics is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Company’s best interests or that may give rise to real, potential or the appearance of conflicts of interest.

Under the Code of Ethics, members of the Board of Directors are required to disclose any conflict of interest or potential conflict of interest to the entire Board of Directors as well as any committee on which they serve. A director who has a material interest in a matter before the Board of Directors or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by the Board of Directors, such director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the *Canada Business Corporations Act* regarding conflicts of interest.

The Human Resources, Nomination and Governance Committee is responsible for assisting the Board of Directors reviewing and updating the Code of Ethics periodically, reviewing the system that the Company’s management will establish to enforce the Code of Ethics and reviewing management’s monitoring of the Company’s compliance with the Code of Ethics. In addition, the Audit Committee reviews on a quarterly basis the minutes of the Compliance and Ethics Committee, a committee comprised of members of the Company’s management whose mandate is, amongst others, to oversee compliance with the Code of Ethics and corporate policies. The Audit Committee also reviews on a quarterly basis all complaints related to the policy of the Company on Complaints of Illegal or Unethical Conduct. Finally, each director signs annually a document attesting that they read the Code of Ethics, and where they must disclose whether, to their knowledge, there has been any conduct of a director or executive officer that constitutes or constituted a departure from the Code of Ethics in the last year.

The Code of Ethics is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Diversity

As a truly global company, the Company and its Board of Directors are committed to create an environment built upon diversity, inclusion and fairness values and practices. The Company believes that attracting, developing and retaining employees, including senior executives that reflect diversity is an important element of its long-term sustainability as it mirrors its customers across the world.

The Board of Directors has recently adopted a diversity statement memorializing its commitment to those principles. The Company does not have a written policy relating to the identification and nomination of women on the Board of Directors or in executive positions though it considers diversity of race, ethnicity, gender, age, cultural background and professional experience in evaluating candidates for Board membership and appointment to executive positions. The Company does not have a target of women on the Board of Directors or in executive positions because it does not believe that any candidate for membership to the Board of Directors or for an executive officer position should be chosen nor excluded solely or largely because of gender. In selecting director nominee or executive candidates, the Company considers the skills, expertise and background that would complement the existing Board and management team. Directors and executive officers will be recruited based on their ability and



contributions. The Company has two women on its Board of Directors, being 15% of the 13 directors, and two women executive officers, being 25% of the eight executive officers. The Board of Directors estimates that diversity is a critical factor in its renewal process in order to bring richness in its decision-making process.

### **Nomination Rights Agreement**

Bain, Beaudier Group and CDPQ have certain rights to designate members of the Board of Directors pursuant to the Nomination Rights Agreement, which provide that the Principal Shareholders party thereto at the relevant time will cast all votes to which they are entitled to fix the size of the Board of Directors at 13 members and to elect members of the Board in accordance with the provisions thereof.

Bain is entitled to designate three members of the Board of Directors and will continue to be entitled to designate such number of directors for so long as it holds more than 10% of the number of Multiple Voting Shares it held on May 29, 2013 (the “**Bain IPO Shares**”). Bain will only be entitled to designate one member of the Board of Directors once it holds 10% or less of the Bain IPO Shares. In the event that Bain holds 10% or less of the Bain IPO Shares, it will lose the right to designate its final member of the Board of Directors once the Multiple Voting Shares held by Bain represent less than 2.5% of the aggregate number of outstanding Multiple Voting Shares and Subordinate Voting Shares (it being understood that the number of Multiple Voting Shares shall be added to the number of Subordinate Voting Shares for purposes of such calculation).

Beaudier Group is entitled to designate three members of the Board of Directors and will continue to be entitled to designate such number of directors for so long as it holds more than 10% of the number of Multiple Voting Shares it held on May 29, 2013 (the “**Beaudier Group IPO Shares**”). Beaudier Group will only be entitled to designate one member of the Board of Directors once it holds 10% or less of the Beaudier Group IPO Shares. In the event that Beaudier Group holds 10% or less of the Beaudier Group IPO Shares, it will lose the right to designate its final member of the Board of Directors once the Multiple Voting Shares held by Beaudier Group represent less than 2.5% of the aggregate number of outstanding Multiple Voting Shares and Subordinate Voting Shares (it being understood that the number of Multiple Voting Shares shall be added to the number of Subordinate Voting Shares for purposes of such calculation).

CDPQ is entitled to designate one member of the Board of Directors for so long as it holds a number of Multiple Voting Shares that is more than 10% of Beaudier Group IPO Shares. In the event that CDPQ holds a number of Multiple Voting Shares that is 10% or less of the Beaudier Group IPO Shares, it will lose the right to designate its member of the Board of Directors once the Multiple Voting Shares held by it represent less than 2.5% of the aggregate number of outstanding Multiple Voting Shares and Subordinate Voting Shares (it being understood that the number of Multiple Voting Shares shall be added to the number of Subordinate Voting Shares for purposes of such calculation).

In accordance with the terms of the Nomination Rights Agreement, the Human Resources, Nomination and Governance Committee is charged under its charter with selecting candidates for election as independent directors, including replacements for designees of Bain, Beaudier Group and/or CDPQ, as applicable, as and when they lose the right to designate a member of the Board under the Nomination Rights Agreement. See “Disclosure of Corporate Governance Practices — Board of Directors Committees — Human Resources, Nomination and Governance Committee”.

The Nomination Rights Agreement provides that all parties thereto at the relevant time will cast all votes to which they are entitled in favor of each individual nominated for election to the Board of Directors by the Human Resources, Nomination and Governance Committee as an independent director.

Pursuant to the terms of the Nomination Rights Agreement, the Board of Directors will have the Audit Committee, the Investment and Risk Committee and the Human Resources, Nomination and Governance Committee. For so long as Bain and Beaudier Group have the right to designate at least one



member of the Board of Directors, each will have the right to appoint one member of the Board of Directors to the Human Resources, Nomination and Governance Committee.

Bain, Beaudier Group and CDPQ will cease to be a party to the Nomination Rights Agreement and to have rights and obligations thereunder immediately upon ceasing to have the right to designate any director pursuant to such agreement. The provisions of the Nomination Rights Agreement will terminate at such time as only one of Bain, Beaudier Group or CDPQ has the right to designate a member of the Board thereunder.

### **Majority Voting Policy**

The Board of Directors has adopted a majority voting policy. In an election of the Board of Directors, shareholders have the option of voting “for” or “withhold”, for a director or nominee that has been nominated for election. The majority voting policy requires that, in an uncontested election of directors of the Company, if a majority of the votes received by a director or nominee are “withhold” votes, the director must tender his or her resignation to the Board of Directors. The Board of Directors would then decide on accepting or rejecting the resignation within 90 days after the date of the relevant meeting and issue a press release promptly after making its decision. The Board of Directors expects to accept the resignation absent exceptional circumstances. A director who tenders a resignation pursuant to the majority policy will not participate in any meeting of the Board of Directors or of a committee of the Board of Directors at which the resignation is considered.

### **Advance Notice Requirements for Director Nominations**

The Company has adopted an advance notice by-law (the “**Advance Notice By-law**”) for the purpose of providing shareholders, directors and management of the Company with a clear framework for nominating directors of the Company in connection with any annual or special meeting of shareholders.

The purpose of the Advance Notice By-law is to (i) ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or special meetings of shareholders of the Company. The Advance Notice By-law fixes the deadlines by which holders of record of Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a timely written notice to the Company for any director nominee to be eligible for election at such annual or special meeting of shareholders.

Pursuant to the Advance Notice By-Law, shareholders seeking to nominate candidates for election as directors must provide timely written notice to the Company’s Secretary at its principal executive offices. To be timely, a shareholder’s notice must be received (i) in the case of an annual meeting of shareholders, not less than 30 days nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice by the shareholder may be received not later than the close of business on the 10<sup>th</sup> day following the date of such public announcement; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors, not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting was made. The Company’s by-laws also prescribe the proper written form for a shareholder’s notice. The Board of Directors may, in its sole discretion, waive any requirement under these provisions. These provisions shall be automatically repealed and cease to have effect upon the termination of the Nomination Rights Agreement.

For the purposes of the Advance Notice By-law, “public announcement” means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Advance Notice By-law will be subject to



review by the Board, and will be updated from time to time to reflect changes required by securities regulatory agencies or stock exchange, or to confirm to industry standards.

### **Indemnification and Insurance**

The Company has implemented a director and officer insurance program and has entered into indemnification agreements with each of its directors and executive officers. The indemnification agreements generally require that the Company indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to the Company as directors and executive officers, provided that the indemnitees acted honestly and in good faith and in a manner the indemnitees reasonably believed to be in or not opposed to the Company's best interests and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, the indemnitees had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by the Company.



## ADDITIONAL INFORMATION

### Indebtedness of Directors and Executive Officers

None of the directors or proposed director nominees, executive officers, employees, former directors, former executive officers or former employees of the Company or any of its subsidiaries, and none of their associates, is or has, at any time since the beginning of the Company's most recently completed fiscal year, been indebted to the Company or any of its subsidiaries. Additionally, the Company or any of its subsidiaries has not provided any guarantee, support agreement, letter of credit or other similar agreement or understanding in respect of any indebtedness of any such person to any person or entity, except for routine indebtedness as defined under applicable securities legislation.

### Interest of Certain Persons and Companies in Matters to be Acted Upon

No director, proposed director nominee or officer of the Company, or any person who has been a director or officer of the Company at any time since the beginning of the Company's last fiscal year, nor any associate or affiliate of any such person, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than as set forth herein.

### Interest of Informed Persons in Material Transactions

Other than as set out below or as described elsewhere in this Circular, management of the Company is not aware of any material interest, direct or indirect, of any informed person of the Company, any proposed director nominee, or any associate or affiliate of any informed person or proposed director nominee, in any transaction since the commencement of the Company's most recently completed fiscal year or in any proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

#### *Transactions with Bain, Beaudier Group and CDPQ*

On December 18, 2003, the Company entered into a management agreement with the Principal Shareholders (as amended and restated effective as of May 29, 2013, the "**Second Amended and Restated Management Agreement**") pursuant to which the Principal Shareholders provide various consulting and management advisory services to the Company and, in exchange therefor, are being reimbursed for certain out-of-pocket expenses. Prior to the closing of the IPO, the Second Amended and Restated Management Agreement provided for the payment by the Company to Bain, Beaudier Group and CDPQ of an annual management fee of U.S.\$2.25 million. In connection with the closing of the IPO, the prior management agreement was amended and restated effective May 29, 2013 to remove the payment of such annual management fee and now only provides for the reimbursement of expenses.

<u>(dollars in millions)</u>	<u>Fiscal 2015</u>	<u>Fiscal 2014<sup>(1)</sup></u>
Total amount paid .....	\$0.1	\$1.2

- (1) Includes annual management fee (prorated for the period commencing as at the beginning of Fiscal 2014 and ending as at May 29, 2013, being the date the Second Amended and Restated Management Agreement was entered into) and reimbursement of out-of-pocket expenses.



### *Reimbursement to Bombardier Inc., a company related to Beaudier Group*

Pursuant to the purchase agreement entered into in 2003 in connection with the acquisition of the recreational products business of Bombardier Inc., the Company is required to reimburse to Bombardier Inc. income taxes amounting to \$22.1 million as of January 31, 2015. The reimbursement will begin when Bombardier Inc. starts making any income tax payments in Canada and/or the United States.

In addition, in connection with the above-mentioned transaction, the Company entered into a trademark license agreement whereby it has the right to continue to use certain trademarks of Bombardier Inc. which were not otherwise assigned to the Company in connection with such transaction, subject to certain conditions. The license allows the Company to use “Bombardier” in the corporate name of certain subsidiaries of the Company as long as, among other things, Beaudier Group maintains at least a 10% voting or equity interest in the Company.

### **Available Information**

The Company is required under applicable Canadian securities laws to file various documents, including financial statements. Financial information is provided in the comparative consolidated financial statements of the Company for Fiscal 2015, together with the notes thereto, the independent auditor’s report thereon and the related management’s discussion and analysis. Copies of these documents and additional information concerning the Company can be found on SEDAR ([www.sedar.com](http://www.sedar.com)). Copies of the Company’s financial statements and MD&A can also be obtained upon request made to the Senior Vice President, General Counsel and Public Affairs of the Company, Mr. Martin Langelier, at the head office: 726 Saint-Joseph Street, Valcourt, Québec, J0E 2L0.

### **Shareholder Proposals for Next Annual Meeting of Shareholders**

The Company received no shareholder proposal for inclusion in this Circular. The Company will include proposals from shareholders that comply with applicable laws in next year’s management proxy circular for its next annual shareholder meeting to be held in respect of the fiscal year ending on January 31, 2015. The last day for submission of proposals by shareholders is February 2, 2015. Proposals should be sent to the Senior Vice President, General Counsel and Public Affairs of the Company, Mr. Martin Langelier, at the head office: 726 Saint-Joseph Street, Valcourt, Québec, J0E 2L0.

### **Approval by Directors**

The contents and the sending to the shareholders of this Circular have been approved by the Board of Directors of the Company.

Dated at Valcourt, this 27<sup>th</sup> day of April, 2015.



Martin Langelier  
Senior Vice President, General Counsel and Public Affairs



## SCHEDULE A

### BRP INC. MANDATE OF THE BOARD OF DIRECTORS

#### 1.0 Introduction

The board of directors (the “Board”) of BRP Inc. (the “Company”) is responsible for the stewardship of the Company. Its members (the “Directors”) are elected by shareholders of the Company. The purpose of this mandate is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

#### 2.0 Purpose

Pursuant to applicable laws, in exercising their powers and discharging their duties, Directors must act honestly and in good faith with a view to the best interest of the Company, and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, both as Directors and as committee members. Directors are ultimately accountable and responsible for providing independent, effective leadership in supervising the management of the business and affairs of the Company. The responsibilities of the Board include:

- adopting a strategic planning process;
- overseeing technologies, capital investments and projects;
- reviewing and approving annual operating plans and budgets;
- monitoring financial reporting and management;
- risk identification and ensuring that procedures are in place for the management of those risks;
- reviewing internal controls and reporting;
- monitoring internal controls and management information systems;
- delegating to management and providing general approval guidelines for management;
- succession planning, including the appointment, training and supervision of management;
- overseeing leadership development and executive compensation;
- corporate disclosure and communications;
- adopting measures for receiving feedback from stakeholders;
- corporate social responsibility, ethics and integrity;
- reviewing the integrity of the Chief Executive Officer (“CEO”) and the other executive officers and ensuring that the CEO and other executive officers create a culture of integrity;
- adopting key corporate policies designed to ensure that the Company, its Directors, officers and employees comply with all applicable laws, rules and regulations and conduct their business ethically and with honesty and integrity;

- overseeing the Company's corporate governance policies and practices; and
- overseeing the nomination process for new Directors.

### **3.0 Composition and Membership**

The Board shall be comprised of that number of Directors as shall be determined from time to time by the Board upon recommendation of the Human Resources, Nomination and Governance Committee of the Board.

Directors must have an appropriate mix of skills, knowledge and experience in business and an understanding of the industry and the geographical areas in which the Company operates. Directors selected should be able to commit the requisite time for all of the Board's business. Directors should make all reasonable efforts to attend all Board and committee meetings and should review the materials provided by management in advance of the Board and committee meetings. A Chairman of the Board shall be appointed by the Board.

Without limiting the foregoing, Directors are expected to possess the following characteristics and traits:

- demonstrate high ethical standards and integrity in their personal and professional dealings;
- provide independent judgment on a broad range of issues; and
- understand and challenge the key business plans and the strategic direction of the Company.

### **4.0 Meetings**

Meetings of the Board will be held at such times and places as the Chairman may determine, but in any event not less than five (5) times per year. Directors may attend all meetings either in person, videoconference or by telephone.

The Chairman, if present, will act as the chairman of meetings. If the Chairman is not present at a meeting, the directors will appoint another director to act as Chairman of the meeting. The Secretary of the Company (the "Secretary") will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Board. If the Secretary is not in attendance at any meeting, the Board will appoint another person who may, but need not, be a Director to act as the secretary of that meeting.

Subject to any agreement between the shareholders of the Company:

- a majority of Directors will constitute a quorum for a meeting of the Board;
- each Director will have one vote and decisions of the Board will be made by an affirmative vote of the majority;
- the Chairman will not have a deciding or casting vote in the case of an equality of votes; and
- the powers of the Board may also be exercised by written resolutions signed by all Directors.

The Board may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Board. On the occasion of each Board meeting, independent Directors will consider if an in camera meeting, under the chairmanship of an independent director, would be appropriate. The Independent Director chairing such in camera meetings will forward to the Chairman and to the CEO any questions, comments or suggestions of the Directors.

In advance of every meeting of the Board, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Directors and others as deemed appropriate by the Chairman, an agenda of

matters to be addressed at the meeting together with appropriate briefing materials. The Board may require officers and employees of the Company to produce such information and reports as the Board may deem appropriate in order for it to fulfill its duties.

Directors will maintain the absolute confidentiality of the deliberations and decisions of the Board and its committees and information received at any meeting, except as may be required by law or as may be determined, from time to time, by the Board, or if the information is publicly disclosed by the Company.

## **5.0 Duties and Responsibilities**

The Board will delegate responsibility for the day-to-day management of the Company's business and affairs to the Company's senior officers and will supervise such senior officers appropriately.

The Board may delegate certain matters it is responsible for to Board committees, presently consisting of the Audit Committee, the Human Resources, Nomination and Governance Committee and the Investment and Risk Committee.

The principal duties and responsibilities of the Board as they relate to the following matters, include:

### **5.1. *Strategic Planning Process***

The Board will adopt, at least on an annual basis, a strategic planning process to establish objectives, goals, vision and mission statement for the Company's business, and which takes into account the opportunities and risks of the Company's business and affairs. The Board will review, approve and modify as appropriate the strategies/business plan proposed by senior management to achieve such objectives and goals, and monitor the implementation of such planning process on an ongoing basis.

The Board will monitor, review and approve all major corporate decisions and transactions and serve as an advisor to management on strategic initiatives.

### **5.2. *Technologies, Capital Investment, Projects***

The Board will monitor the development cycle of all new products and technologies to determine whether development is in line with strategic planning and budgets, ensure that sufficient funds are allocated to research and development of new products and technologies and review the compliance of any capital expenditures delegations.

### **5.3. *Risk Management***

Periodically, the Board, in conjunction with management and Board committees will identify the principal risks of the Company's business, including those related to compensation and incentive plans and oversee management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks. The Board shall oversee the timely disclosure of any such material risk and of the process to monitor and mitigate it.

### **5.4. *Internal Controls and Reporting***

The Board will oversee the Company's major financial and operational risk and discuss them with management, internal auditors and external auditors. The Board will monitor the adequacy and effectiveness of the accounting and financial controls and the steps taken by management to control risk exposure.

### **5.5. *Succession Planning, Appointment and Supervision of Management***

The CEO will be appointed by the Board, after considering the recommendation of the Human Resources, Nomination and Governance Committee, for such term as the Board may determine.

The Board will approve the succession plan for the CEO and the CEO's succession plan for senior management of the Company, including their selection and appointment, and will review the objectives, performance and compensation of the CEO and senior management of the Company.

To the extent feasible, the Board shall satisfy itself as to the integrity of the CEO and the other executive officers and take reasonable measures to ensure that the CEO and other executive officers create a culture of integrity throughout the organization.

The Board will ensure that the compensation plans and programs create and reinforce good conduct, ethical behaviors and promote reasonable risk taking, and will ensure that processes are in place for the recruitment, training, development and retention of senior executives who exhibit high standards of integrity and competence.

#### **5.6. *Communication and Public Disclosure***

The Board shall adopt communication policies, including the Company's Disclosure Policy and Insider Trading Policy, and monitor investor relations programs and communications with analysts, the media and the public, including measures for receiving feedback from the Company's stakeholders. The Company's communications policies should address how the Company interacts with analysts, other key stakeholders and the public, and contain measures for the Company to comply with its continuous and timely disclosure obligations and to avoid selective disclosure. The Company shall approve, and as required, oversee compliance with the Company's communications policies by Directors, officers and other management personnel and employees.

#### **5.7. *Governance and Nomination***

Subject to the terms of any agreement between shareholders of the Company and the Company, the Board will approve the selection criteria and nomination procedure for new Directors, review the independence of Directors, determine the remuneration of Directors and oversee orientation and continuing education of new Directors.

Subject to the terms of any agreement between shareholders of the Company and the Company, the Board will identify the Board nominees for election at the annual meeting of shareholders or the nominees to fill Board vacancies.

Subject to the terms of any agreement between shareholders of the Company and the Company, the Board will monitor the size and composition of the Board to ensure effective decision-making, and oversee management in the competent and ethical operation of the Company.

The Board will review and approve of the Company's governance policies and practices and any update, amendment or restatement thereof and ensure that such policies comply with applicable legislation and stay current with best practices in corporate governance.

#### **5.8. *Pension fund matters***

The Board will monitor and review the Company's pension fund investment policies and practices, in the context of pension plan liabilities.

#### **5.9. *Environmental matters***

The Board will monitor and review, as appropriate, the Company's environmental policies and practices and oversee their compliance with applicable legal and regulatory requirements.

### **5.10. Occupational health and safety matters**

The Board will monitor and review, as appropriate, the Company's occupational health and safety policies and practices and oversee their compliance with applicable legal and regulatory requirements.

### **6.0 Limitations on Board's Duties**

Notwithstanding the foregoing and subject to applicable law, nothing contained in this Charter is intended to require the Board to ensure the Company's compliance with applicable laws or regulations.

In contributing to the Board's discharge of its duties under this mandate, each Director shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate is intended or may be construed as imposing on any Director a standard of care or diligence that is in any way more onerous or extensive than the standard to which the Directors are subject.

The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively. The terms contained herein are not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

### **7.0 Corporate Policies**

The Board will adopt and monitor compliance of the policies and procedures, which are designed to ensure that the Company, its Directors, officers and employees comply with all applicable laws, rules and regulations and conduct the Company's business ethically and with honesty and integrity. Principal policies consist of:

- Code of Ethics;
- Disclosure and Insider Trading Policy; and
- Complaints of Illegal or Unethical Conduct Policy.

### **8.0 Access to Information and Authority**

The Board will be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties.

The Board has the authority to retain, at the Company's expense, independent legal, financial, compensation consulting and other advisors, consultants and experts, to assist the Board in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms.

### **9.0 Review of Mandate**

The Human Resources, Nomination and Governance Committee will annually review and assess the adequacy of this mandate and recommend any proposed changes to the Board for consideration. The Board may, from time to time, amend this Mandate. The Board will satisfy itself that regular assessments of the Chairman, the Directors as a whole (including any committees) and of individual Directors, if deemed appropriate, are carried out in order to enhance their performance.