



ROPES & GRAY LLP  
1211 AVENUE OF THE AMERICAS  
NEW YORK, NY 10036-8704  
WWW.ROPESGRAY.COM

June 22, 2021

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Mergers and Acquisitions  
100 F Street, N.E.  
Washington, D.C. 20549-3628

Attn: Ted Yu, Chief, Office of Mergers and Acquisitions  
Valian A. Afshar, Special Counsel

Re: BRP Inc.  
Request for Relief under Rule 13e-4(g) and General Instruction III of  
Schedule 13E-4F Relating to a Modified Dutch Auction Tender Offer

Dear Messrs. Yu and Afshar:

BRP Inc., a corporation governed by the *Canada Business Corporations Act* (the “**Company**”), has launched an issuer tender offer (the “**Offer**”) to purchase for cancellation up to a specified maximum aggregate dollar amount (the “**Specified Maximum Dollar Amount**”) of subordinate voting shares (the “**Shares**”) <sup>1</sup> of the Company at a price per Share in cash which will be not less than a specified minimum dollar amount per Share (the “**Specified Minimum Price**”) and not more than a specified maximum dollar amount per Share (the “**Specified Maximum Price**”). The Specified Maximum Dollar Amount has been set at C\$350 million, the Specified Minimum Price is C\$94.00 and the Specified Maximum Price is C\$113.00. These figures are disclosed prominently in the documentation for the Offer. The combination of the Specified Maximum Dollar Amount, the Specified Minimum Price and the Specified Maximum Price will have the effect of establishing the maximum and minimum number of Shares that the Company would be committed to purchase under the Offer, subject to the satisfaction or waiver of the conditions to the Offer.

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<sup>1</sup> The Company has both subordinate voting shares and multiple voting shares issued and outstanding. The Company’s subordinate voting shares are the class of security that is registered under the Exchange Act and listed on the TSX and Nasdaq exchanges. Under the Company’s articles, the subordinate voting shares carry one vote per share and multiple voting shares carry six votes per share. Each outstanding multiple voting share may at any time, at the option of the holder, be converted into one subordinate voting share and, upon certain transfers and events, is automatically so converted. The subordinate voting shares and the multiple voting shares otherwise generally have the same rights. For additional information, refer to “Description of the Capital Structure” in the 2021 Annual Information Form filed with the Company’s Annual Report on Form 40-F for the fiscal year ended January 31, 2021.

The Offer is being conducted pursuant to Canadian statutory requirements, except that the Company has received exemptive relief from the Autorité des marchés financiers (“**AMF**”) to exempt the Offer from the Canadian (i) proportionate take-up and associated disclosure requirements and (ii) extension take-up requirements, in each case as more fully discussed herein.

We are writing to request relief from the U.S. Securities and Exchange Commission (the “**Commission**”) in order that the Offer may proceed in the United States under the Canada/U.S. Multijurisdictional Disclosure System (the “**MJDS**”) and pursuant to Rule 13e-4(g) under the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

## **Background**

The Company is a global leader in the design, development, manufacturing, distribution and marketing of powersports vehicles and marine products. The Company commenced the Offer and began mailing the offering circular related to the Offer on or about June 18, 2021. Under applicable Canadian rules, the Offer must be held open for at least 35 calendar days from the mailing date of the offering circular for the Offer, which means that the Offer will be held open until at least July 23, 2021, and may be extended thereafter as permitted under Canadian law.

The authorized capital of the Company consists of an unlimited number of Shares, an unlimited number of multiple voting shares convertible into Shares on a one-for-one basis at the option of the holder (the “**Multiple Voting Shares**”), and an unlimited number of preferred shares. Only the Shares are subject to the Offer. Holders of Multiple Voting Shares may participate in the Offer by depositing their Multiple Voting Shares to the Offer. Only those Multiple Voting Shares taken up by the Company will be converted into Shares<sup>2</sup>. As of June 14, 2021, there were approximately 40.1 million Shares and approximately 43.9 million Multiple Voting Shares issued and outstanding. The principal shareholders of the Company, Beaudier Inc., together with a company named 4338618 Canada Inc. (collectively, “**Beaudier**”)<sup>3</sup>, and Bain Capital Luxembourg Investments S.à r.l. (“**Bain Capital**”), currently collectively hold approximately 39.1 million Multiple Voting Shares or approximately 46.5% of the outstanding shares of the Company on an as-converted basis. Beaudier alone owns 23.3 million Multiple

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<sup>2</sup> Multiple Voting Shares that are not taken up by the Company in the Offer will be returned to the holder as Multiple Voting Shares and not converted into Shares.

<sup>3</sup> Beaudier Inc. and 4338618 Canada Inc. are both controlled by the family that originally founded the Company. Beaudier Inc. is a portfolio holding company of the Beaudoin family and is controlled by Mr. Laurent Beaudoin, former Chair of the Board of Directors of the Company, and his wife Mrs. Claire Bombardier Beaudoin, through holding companies which they control. Mr. Pierre Beaudoin, the son of Mr. Laurent Beaudoin and Mrs. Claire Bombardier Beaudoin, is a director of the Company. 4338618 Canada Inc. 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. Charles Bombardier, the son of Mr. J.R. André Bombardier and a nephew of Mrs. Claire Bombardier Beaudoin and Mr. Laurent Beaudoin, is a director of the Company.

Voting Shares, or approximately 27.7% of the outstanding shares of the Company on an as-converted basis.

The Shares are registered under Section 12(b) of the Exchange Act and are listed on the Toronto Stock Exchange (“**TSX**”) and on The Nasdaq Stock Market LLC (“**Nasdaq**”). The Shares began trading on Nasdaq in connection with the Company’s listing and U.S. initial public offering on September 14, 2018. The Shares were previously listed solely on the TSX.

The single largest market for the Shares is the TSX, where approximately 102 million Shares were traded during the twelve months ended January 31, 2021, including the repurchase of approximately 4.3 million Shares pursuant to an NCIB program described herein. Approximately 50.7 million Shares were traded on Nasdaq between September 14, 2018, which is the first trading day of the Shares on Nasdaq, and January 31, 2021 while approximately 217.5 million Shares were traded on the TSX for the same period. On June 14, 2021, the closing price of the Shares on the TSX was C\$93.89, and on Nasdaq was US\$77.27. On the basis of these closing prices, the aggregate market value of all of the outstanding Shares and Multiple Voting Shares was approximately C\$7.9 billion (assuming full conversion).

## **The Offer**

### *Structure*

The Company is making the Offer on terms described in an Offer to Purchase and Circular (the “**Offer to Purchase**”), Letter of Transmittal and Notice of Guaranteed Delivery (together, the “**Offer Documents**”) which have been sent to all holders of Shares (the “**Shareholders**”).

A Shareholder wishing to tender its Shares to the Offer may do so in one of three ways: (i) by making an auction tender at a specified price per Share (the “**Auction Price**”) within the range proposed by the Company (i.e. a modified “Dutch auction” procedure) and for a specified number of Shares (an “**Auction Tender**”); (ii) by making a purchase price tender pursuant to which it agrees to tender a number of Shares to the Company at the Purchase Price (as defined below) (a “**Purchase Price Tender**”); or (iii) by making a proportionate tender pursuant to which the Shareholder agrees to the purchase by the Company of a number of Shares owned by it that will result in the Shareholder maintaining its proportionate equity ownership in the Company following completion of the Offer at the Purchase Price (a “**Proportionate Tender**”). Beaudier has advised the Company that it is participating in the Offer by making a Proportionate Tender.

An Auction Tender allows a Shareholder to specify the price, being not less than the Specified Minimum Price or greater than the Specified Maximum Price, at which the Shareholder is willing to have its Shares purchased by the Company. Under a Purchase Price Tender, a Shareholder does not specify a price, but rather the Shareholder’s Shares will be deemed to have been tendered at the Specified Minimum Price, and such Shares will be purchased at the Purchase Price determined as described below. Under a Proportionate Tender, a

Shareholder also does not specify a price, and such Shares will be deemed to have been tendered, and will be purchased, at the Purchase Price, which will be determined only by Auction Tenders and Purchase Price Tenders.<sup>4</sup> All Shares purchased in the Offer, whether pursuant to Auction Tenders (including Shares tendered at or below the Purchase Price), Purchase Price Tenders, or Proportionate Tenders, will be purchased at the same Purchase Price.

Shareholders may deposit some of their Shares pursuant to an Auction Tender and deposit different Shares pursuant to a Purchase Price Tender. Shareholders who make an Auction Tender and/or a Purchase Price Tender cannot make a Proportionate Tender<sup>5</sup>, or vice versa. Shareholders may not deposit the same Shares pursuant to more than one method of tender or pursuant to an Auction Tender at more than one price. Subject to the limitations described in this paragraph, all Shareholders will be able to make a Proportionate Tender.

The Offer Documents set forth (i) the Specified Maximum Dollar Amount that the Company may spend under the Offer, (ii) the Specified Minimum Price, (iii) the maximum number of Shares that may be purchased under the Offer (calculated as the quotient of the Specified Maximum Dollar Amount divided by the Specified Minimum Price), (iv) the Specified Maximum Price and (v) the minimum number of Shares that may be purchased under the Offer, assuming that the Offer is fully subscribed (calculated as the quotient of the Specified Maximum Dollar Amount divided by the Specified Maximum Price).

The Purchase Price will be denominated in Canadian dollars and the payment of amounts owing to Shareholders whose Shares are taken up under the Offer will be made in Canadian dollars. However, Shareholders may elect to receive the Purchase Price in U.S. dollars. The exchange rate that will be used to convert payments from Canadian dollars into U.S. dollars will be the rate available from the depository and foreign exchange service provider under the Offer, on the date on which the funds are converted, which rate will be based on the prevailing market rate on such date.

#### *Purchase Price and Proration*

The Company will determine the Purchase Price payable per Share (the “**Purchase Price**”) based on the Auction Prices and the number of Shares specified in valid Auction Tenders and Purchase Price Tenders (considered for purposes of determining the Purchase Price to have been tendered at the Specified Minimum Price). The Purchase Price will be the lowest price that enables the Company to purchase that number of Shares tendered pursuant to valid Auction

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<sup>4</sup> As discussed below under “The Interest of Investors is Adequately Protected”, the availability of the Proportionate Tender option may benefit other Shareholders by resulting in a higher Purchase Price. That is because Proportionate Tenders do not affect the determination of the Purchase Price and Shareholders who elect that option are more concerned with maintaining their ownership percentage than with the Purchase Price that they receive (provided that they receive at least the Specified Minimum Price). If the Proportionate Tender option were not available, these Shareholders might tender their Shares at the Specified Minimum Price or in a Purchase Price Tender, which would result in a lower Purchase Price.

<sup>5</sup> This is because a Shareholder that makes a Proportionate Tender will not be permitted to also make an Auction Tender or Purchase Price Tender.

Tenders and Purchase Price Tenders having an aggregate purchase price not to exceed the “**Auction Tender Limit Amount**”, which is the aggregate purchase price of Shares tendered pursuant to Auction Tenders and Purchase Price Tenders that the Company must take up in order that, on consummation of the Offer, each Shareholder tendering Shares pursuant to Proportionate Tenders will maintain its same proportionate interest in the Company following completion of the Offer. The Auction Tender Limit Amount will be equal to (i) the Specified Maximum Dollar Amount less (ii) the product of (A) the Specified Maximum Dollar Amount and (B) a fraction, the numerator of which is the aggregate number of Shares owned by Shareholders making valid Proportionate Tenders, and the denominator of which is the aggregate number of Shares outstanding at the time of expiry of the Offer. Any Shareholder who owns fewer than 100 Shares and tenders all of such Shareholder’s Shares pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender (each, an “**Odd Lot Holder**”) will be considered to have made an “**Odd Lot Tender**”.

With respect to the proration of Shareholders making Auction Tenders or Purchase Price Tenders:

- If the aggregate purchase price for Shares validly tendered pursuant to Auction Tenders (at prices at or below the Purchase Price) and Purchase Price Tenders (such aggregate amount, the “**Aggregate Tender Purchase Amount**”) is less than or equal to the Auction Tender Limit Amount, the Company will purchase at the Purchase Price all Shares so tendered pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders. See “Scenario A (Undersubscribed or Fully Subscribed with Proportionate Tender Option)” in Exhibit A for numerical examples depicting these scenarios.
- If the Aggregate Tender Purchase Amount is greater than the Auction Tender Limit Amount, the Company will purchase a portion of the Shares so tendered pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders, determined as follows: (i) first, the Company will purchase all such Shares tendered by Shareholders pursuant to Odd Lot Tenders; and (ii) second, the Company will purchase on a pro-rata basis solely within that portion of Shares tendered pursuant to Auction Tenders and Purchase Price Tenders (i.e., not including Proportionate Tenders, which are taken up in a separate proration pool as described below) having an aggregate purchase price, based on the Purchase Price, equal to (A) the Auction Tender Limit Amount, less (B) the aggregate amount paid by the Company for Shares tendered pursuant to Odd Lot Tenders, in each of the cases set forth in clauses (i) and (ii) of this paragraph, at the Purchase Price.<sup>6</sup> See “Scenario B (Oversubscribed with

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<sup>6</sup> Similar to the pro rata calculation described in Rule 13e-4(f)(3) and corresponding Canadian rules, the proration percentage for each individual Shareholder within the Auction Tender/Purchase Price Tender pool will be calculated as (1) the number of Shares such Shareholder has tendered at or below the Purchase Price, divided by (2) the total number of Shares tendered pursuant to Auction Tenders (at prices at or below the Purchase Price) and Purchase Price Tenders (i.e., the Aggregate Tender Purchase Amount). Shares that are tendered above the Purchase Price will not be taken into account and therefore excluded from the proration calculation.

Proportionate Tender Option)” in Exhibit A for a numerical example depicting this scenario.

By contrast, Shareholders making Proportionate Tenders are prorated in a separate proration pool, in which the Company will purchase at the Purchase Price that portion of the Shares owned by such Shareholders that results in such tendering Shareholders maintaining their proportionate equity ownership in the Company following completion of the Offer.

As a result, the Offer, in effect, consists of two separate proration pools, one for Auction Tenders and Purchase Price Tenders, and the other for Proportionate Tenders. The first proration pool of Auction Tenders and Purchase Price Tenders is prorated based on the total number of Shares tendered by the Shareholders that tender in Purchase Price Tenders or Auction Tenders at or below the Purchase Price, while the second proration pool of Proportionate Tenders is prorated based on the number of Shares necessary for such Shareholders to maintain their existing ownership percentages, as described above.<sup>7</sup>

The number of Shares that the Company will purchase pursuant to the Offer and the aggregate purchase price will vary depending on whether the Aggregate Tender Purchase Amount is equal to or less than the Auction Tender Limit Amount. If the Aggregate Tender Purchase Amount is equal to the Auction Tender Limit Amount, the Company will purchase Shares pursuant to the Offer for an aggregate purchase price equal to the Specified Maximum Dollar Amount; if the Aggregate Tender Purchase Amount is less than the Auction Tender Limit Amount, the Company will purchase proportionately fewer Shares in the aggregate, with a proportionately lower aggregate purchase price.

#### *Shares Returned to Shareholders*

All Shares tendered to the Offer and not taken up will be returned to the appropriate Shareholders.

#### *Hypothetical Scenarios*

To illustrate the effect of the terms of the Offer where the Proportionate Tender option is available to Shareholders, we have considered the following hypothetical scenarios: (i) fewer than the Auction Tender Limit Amount of Shares is tendered pursuant to the Auction Tenders (“**undersubscribed**”), (ii) exactly the Auction Tender Limit Amount of Shares is tendered pursuant to Auction Tenders (“**fully subscribed**”), and (iii) more than the Auction Tender Limit Amount of Shares is tendered pursuant to Auction Tenders (“**oversubscribed**”). In addition, we

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<sup>7</sup> The provision of two separate proration pools is different from the proration contemplated by Rule 13e-4(f)(3) and corresponding Canadian rules (which requires that Shares be taken up and paid for according to the number of Shares tendered by each Shareholder). See “Issues Presented” below for a discussion of the applicable rules and the relief sought. Although all Shares tendered at or below the Purchase Price in a given pool are prorated at the same aggregate rate within that pool (subject, in the case of Auction Tenders and Purchase Price Tenders, to the special treatment of Odd Lot Tenders), the proration factors of the two pools are unlikely to be the same.

have also considered hypothetical scenarios in the oversubscribed setting where a Proportionate Tender option is not available to Shareholders.

*A. Offer is Fully Subscribed or Undersubscribed.*

If the Offer is fully subscribed or undersubscribed, all Shares tendered pursuant to Auction Tenders and Purchase Price Tenders will be taken up and paid for by the Company without proration. The Purchase Price will necessarily be the single highest price, at or below the Specified Maximum Price, specified by Shareholders tendering pursuant to Auction Tenders or, in the unlikely event of there being only Purchase Price Tenders, the Specified Minimum Price. See “Scenario A (Undersubscribed or Fully Subscribed with Proportionate Tender Option)” in Exhibit A.<sup>8</sup>

*B. Offer Oversubscribed.*

If the Offer is oversubscribed, the aggregate purchase price of the Shares tendered pursuant to Proportionate Tenders taken up at the Purchase Price would be equivalent to the product of (A) the Specified Maximum Dollar Amount and (B) a fraction, the numerator of which is the aggregate number of Shares owned by Shareholders making valid Proportionate Tenders, and the denominator of which is the aggregate number of Shares outstanding at the time of expiration of the Offer. The Specified Maximum Dollar Amount minus such amount will then leave a fixed aggregate dollar amount of Shares, referred to above as the “Auction Tender Limit Amount”.

Shares tendered pursuant to Auction Tenders and Purchase Price Tenders will be taken up at the lowest Purchase Price which would allow the Company to take up the Auction Tender Limit Amount. Shares tendered at prices higher than this Purchase Price would not be taken up in the Offer. Shares tendered pursuant to Auction Tenders (at prices at or below this Purchase Price) or pursuant to Purchase Price Tenders would be taken up by the Company at the Purchase Price as follows: (i) first, the Company will purchase all Shares tendered by Shareholders pursuant to Odd Lot Tenders; and (ii) second, the Company will purchase on a pro-rata basis that portion of Shares tendered pursuant to Auction Tenders and Purchase Price Tenders having an aggregate dollar amount (based on the Purchase Price), equal to (A) the Auction Tender Limit Amount (already allocated to Proportionate Tenders as described above), less (B) the aggregate

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<sup>8</sup> This analysis assumes that at least one Share will be tendered pursuant to an Auction Tender or a Purchase Price Tender. If no Shares are tendered pursuant to Auction Tenders or Purchase Price Tenders, no Shares will be taken up in the Offer, and any Shares tendered by Shareholders pursuant to Proportionate Tenders would be returned to such Shareholders. This is due to the fact that the Purchase Price payable per Share will be based on the Auction Prices and the number of Shares specified in valid Auction Tenders and the Purchase Price Tenders (considered for purposes of determining the Purchase Price to have been tendered at the Specified Minimum Price). Therefore, if there are no Auction Tenders or Purchase Price Tenders, the Purchase Price will not be established, in which case no Shares tendered pursuant to Proportionate Tenders or the Offer generally will be taken up.

amount paid by the Company for Shares tendered pursuant to Odd Lot Tenders.<sup>9</sup> See “Scenario B (Oversubscribed with Proportionate Tender Option)” in Exhibit A for a numerical example depicting this scenario.

*C. Offer Oversubscribed Where Proportionate Tender Option Not Available.*

If the Proportionate Tender option were not available, then tendering Shareholders (including Beaudier) only would be able to make Auction Tenders or Purchase Price Tenders. Shares tendered (other than Odd Lots) pursuant to Auction Tenders at or below the Purchase Price and Shares deposited pursuant to Purchase Price Tenders would be purchased on a pro rata basis according to the number of such Shares so deposited such that the Purchase Price for the Shares will be the lowest price at or above the Specified Minimum Price, but not exceeding the Specified Maximum Price, that would enable the Company to purchase the maximum number of deposited Shares having an aggregate purchase price not exceeding the Specified Maximum Dollar Amount. Given that the Specified Maximum Dollar Amount is fixed, the actual number of Shares purchased in an oversubscribed Offer would vary inversely with the Purchase Price. If the Purchase Price is the Specified Minimum Price, the actual number of Shares taken up in the Offer would equal the maximum number of Shares that would be disclosed in the Offer to Purchase. If the Purchase Price exceeds the Specified Minimum Price, the number of Shares purchased would be less than such maximum number of Shares.

If a Proportionate Tender option was available, the aggregate number of Shares tendered pursuant to Proportionate Tenders would effectively create a ceiling (i.e., the Auction Tender Limit Amount) on the aggregate number of Shares that could be taken up pursuant to Auction Tenders and Purchase Price Tenders in the aggregate since sufficient Shares would always be taken up from Shareholders tendering pursuant to Proportionate Tenders so that such Shareholders maintain their percentage interest in the Company.

Shareholders tendering via Auction Tenders and Purchase Price Tenders will be prorated according to the number of Shares tendered by such Shareholders that have tendered in Purchase Price Tenders or Auction Tenders at or below the Purchase Price; however, due to the ceiling described above, the net effect of the Proportionate Tender option would be that Shareholders tendering via Auction Tenders and Purchase Price Tenders in the aggregate would likely be prorated at a different rate when compared to the proration of Shareholders tendering via Proportionate Tenders. With a Proportionate Tender option, there will be two proration pools: (1) Shareholders that tender via Auction Tenders and Purchase Price Tenders will be prorated within one proration pool set by the Auction Tender Limit Amount (with the proration percentage in the aggregate determined by dividing the Auction Tender Limit Amount by the Aggregate Tender Purchase Amount)<sup>10</sup>, and (2) Shareholders tendering via Proportionate Tenders being prorated in a second proration pool based solely on maintaining their percentage interest; by contrast, without a Proportionate Tender option, all Shares that are accepted for

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<sup>9</sup> As discussed in note 4 above, proration will be calculated similar to the pro rata calculation described in Rule 13e-4(f)(3) and corresponding Canadian rules.

<sup>10</sup> See notes 4 and 6 above.



payment would be prorated in a single proration pool according to the total number of Shares tendered and accepted for payment.<sup>11</sup>

See “Scenario C (Oversubscribed Where Proportionate Tender Option Not Available)” in Exhibit A for numerical examples depicting this scenario.

## **Offer Documents**

The Company filed a Schedule 13E-4F with the Commission at the commencement of the Offer on June 21, 2021, which includes the Offer to Purchase, Letter of Transmittal and Notice of Guaranteed Delivery, which are being disseminated to Shareholders, and all other required documents. The Offer to Purchase includes disclosure regarding the terms of the Offer required by applicable Canadian securities laws. In particular, the Offer to Purchase sets forth the Specified Maximum Dollar Amount of C\$350 million, the Specified Minimum Price of C\$94.00, the Specified Maximum Price of C\$113.00, the maximum number of Shares that could be purchased under the Offer at the Specified Minimum Price (3,723,404) and the minimum number of Shares that could be purchased under the Offer at the Specified Maximum Price (3,097,345), in each case assuming that the Offer is fully subscribed.

In addition, the Offer to Purchase discloses the following additional information:

- o the mechanics for take-up of and payment for, or return of, Shares as described herein and in the AMF Exemptive Relief Order (as defined below);
- o that, by tendering Shares at the Specified Minimum Price under an Auction Tender or by tendering Shares under a Purchase Price Tender or a Proportionate Tender, a Shareholder can reasonably expect that the Shares so tendered will be purchased at the Purchase Price, subject to proration and other terms of the Offer as specified herein;<sup>12</sup>
- o that the Company has applied for an exemption from the Canadian proportionate take-up and disclosure requirements and the extension take-up requirement;
- o that Beaudier has advised the Company that it will participate in the Offer by making a Proportionate Tender; and
- o except to the extent Canadian exemptive relief has been granted, the disclosure prescribed by applicable Canadian securities laws for issuer tender offers.

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<sup>11</sup> While it is always the case in an oversubscribed partial tender offer that the more shares that tender will reduce the number of shares accepted for payment from any one particular shareholder, Beaudier, given the size of its Share ownership, can have a significant influence on the pricing and which Shares are taken-up, the effects of which would be mitigated using a Proportionate Tender option. See “Issues Presented-The Interest of Investors is Adequately Protected”.

<sup>12</sup> The Offer to Purchase provides disclosure on the mechanics of the proration so that Shareholders (including U.S. Shareholders) that may be unfamiliar with the Proportionate Tender concept understand the proration impact that Proportionate Tenders will have on Shareholders tendering pursuant to Auction Tenders and Purchase Price Tenders.

### **Rule 13e-3 Considerations**

The Company does not intend for the Offer to have, and does not believe that the Offer is a part of, or is in furtherance of a series of transactions that, taken together, will have a reasonable likelihood or purpose of producing, directly or indirectly, a Rule 13e-3 effect, as defined in Rule 13e-3(a)(3) under the Exchange Act.

As of June 14, 2021, the Company had approximately 40.1 million Shares outstanding. Giving effect to a Specified Maximum Dollar Amount of C\$350 million and a Specified Minimum Price of C\$94 per Share, the maximum number of Shares that could be purchased in the Offer would be approximately 3.7 million Shares, or approximately 9.3% of the total number of outstanding Shares and 4.4% of outstanding shares on an as-converted basis. Assuming the requested relief is granted and Beaudier makes a Proportionate Tender, all issued and outstanding Shares and Multiple Voting Shares are tendered for purchase and the maximum number of Shares is taken up in the Offer, the public float of Shares (i.e., those not held by affiliates, including directors, officers or holders of Multiple Voting Shares) after giving effect to the Offer would be reduced by approximately 2.7 million Shares from approximately 38.9 million Shares to approximately 36.2 million Shares (or approximately 93.2% of the public float prior to the Offer), with affiliates' ownership being reduced by approximately 1.0 million Shares to approximately 42.8 million shares on an as-converted basis. In such an Offer, non-affiliate Shareholders would be expected to tender approximately 72.2% of the 3.7 million total Shares accepted for purchase. Assuming a proportionate amount is tendered by non-affiliate holders in the United States and holders in Canada as an Auction Price or Purchase Price Tender, the public float in the United States would be expected to be reduced by approximately 0.9 million Shares, or approximately 2% of the public float prior to the Offer.

It should be noted that the Company also completed all possible purchases under its last normal course issuer bid (each such bid, an “**NCIB**”) that commenced on December 1, 2020 and has generally had NCIBs authorized and in place nearly continuously since 2015. An NCIB is an open-market repurchase program approved by the TSX that permits the Company to repurchase up to, in the Company's case, 10% of the Company's public float over a 12 month period. Under applicable Canadian rules, a Company must suspend an active NCIB before launching a substantial issuer bid such as the Offer. The Company's last NCIB launched on December 1, 2020 was for the purchase and cancellation of up to 4,278,028 Shares and all possible purchases were completed in April 2021. Pursuant to TSX rules, the Company is unable to purchase and cancel any additional shares under this NCIB (or obtain the renewal of the NCIB) until it expires

in November 2021, so suspension of this NCIB before and during the Offer is unnecessary as a technical matter.<sup>13</sup>

The effects referred to in Rule 13e-3(a)(3)(ii)(A) that would result in application of Rule 13e-3 include: (i) causing any class of equity securities of the Company subject to Section 12(g) or Section 15(d) of the Exchange Act to become eligible for termination of registration under 12g-4 or Rule 12h-6 or (ii) causing the reporting obligations with respect to such class to become eligible for termination under Rule 12h-6, or suspension under Rule 12h-3. Pursuant to Rule 12h-6, which pertains to termination of Exchange Act registration or reporting obligations by a foreign private issuer, the Company believes the number of record holders of the Company's shares on a worldwide basis and with U.S. addresses are both well above the 300 record holders threshold, with approximately 30,700 holders worldwide and approximately 14,050 holders in the United States. While the Offer could be expected to result in a decrease of the number of holders of record, the Company expects the number of holders of record to remain well above 300 persons.<sup>14</sup> In addition, during the period from September 14, 2018 to January 31, 2021 the average daily trading volume of the Shares on Nasdaq was approximately 19% of the world-wide trading volume. The Company does not believe that the Offer would reduce that percentage to 5% or less (the threshold for deregistration under Rule 12h-6(a)(4)(i)).<sup>15</sup> Moreover, according to Rule 12h-6(a)(2), Exchange Act registration under Section 12(g) and reporting obligations under Section 15(d) could not be terminated because the Company's securities have been sold in the United States in an offering pursuant to a Registration Statement on Form F-10 that became effective under the Securities Act of 1933 during the 12 months preceding the Offer.

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<sup>13</sup> Under applicable Canadian securities laws and regulations, including Canadian National Instrument 62-104 – Take-Over Bids and Issuer Bids (“NI 62-104”), (i) an issuer shall not make any purchases of its securities pursuant to a normal course issuer bid during the period from the first public announcement of the intention to make a substantial issuer bid until the termination of the period during which securities may be deposited under such bid, and (ii) share repurchases are not permitted within 20 business days of the expiration of a substantial issuer bid; however, subject to certain conditions, repurchases pursuant to an NCIB during this 20-day period are permitted under an exception to those rules provided in Section 2.6 of NI 62-104. As noted above, NCIBs are regulated repurchase programs that require stock exchange approval, and are conducted in a manner to provide investor protections similar to those contemplated by Rule 10b-18 under the Exchange Act. NCIBs provide a comprehensive framework to regulate repurchases to ensure that they do not abnormally influence the market, and unlike Rule 10b-18, which only provides a “safe harbor”, an NCIB provides mandatory rules for share repurchases. In the circumstances, BRP has exhausted its repurchase capacity under the NCIB approved by the Toronto Stock Exchange, so it cannot renew its NCIB and purchase securities thereunder prior to November 2021. Any share repurchases made by the Company under an NCIB following expiration of the Offer will be in compliance with applicable Canadian securities laws and regulations, as well as applicable TSX NCIB rules.

<sup>14</sup> Note that, using the method of calculation set forth in Rule 12g5-1 and Exchange Act Rule Compliance & Disclosure Interpretation 152.01, considering securities held in street name by a broker-dealer as held of record only by the broker-dealer, the Company believes there would not any meaningful reduction in the number of holders of record.

<sup>15</sup> Note in addition that, pursuant to Regulation 61-101 under applicable Canadian rule, an opinion will be provided to the Company as part of the Offer confirming that a liquid market exists for the Shares as of the date of the making of the Offer.

In addition, the Offer is not reasonably likely to and is not intended to cause the Shares to be delisted from Nasdaq, as contemplated by Rule 13e-3(a)(3)(ii)(B). Rule 5450 of the Nasdaq Stock Market Rules indicates that Nasdaq would consider delisting procedures when: (a) the Company's listed equity securities fail to maintain a minimum bid price of \$1 per share and the number of total stockholders (defined to include both beneficial holders and holders of record) is fewer than 400 or (b) the Company fails to maintain one of (i) stockholders' equity of at least \$10 million, publicly-held shares, excluding shares held by directors, officers or their immediate families and other concentrated holdings of 10% or more, of at least 750,000, market value of publicly held shares of \$5 million and two registered and active market makers, (ii) market value of listed securities of \$50 million, publicly-held shares of 1,100,000, market value of publicly held shares of \$15 million and four registered and active market makers or (iii) total assets and total revenue of at least \$50 million for each of the two most recently completed fiscal years or two of the three most recently completed fiscal years, publicly-held shares of 1,100,000, market value of publicly held shares of \$15 million and four registered and active market makers. Here, the number of total Shareholders, the number of publicly held Shares, the market value of listed securities and publicly held shares, total assets and total revenue and the number of registered and active market makers after giving effect to the Offer will likely far exceed the thresholds described above.

The Offer is also not part of a "series of transactions" involving one or more of the effects described in Rule 13e-3(a)(ii). Notwithstanding the substantial issuer bids conducted in Canada in 2017 and 2019, and normal course issuer bids from time to time, the Company notes that in September 2018 the Company expended significant resources to conduct an initial public offering and listing of the Shares on Nasdaq, pursuant to which 8,700,000 Shares were sold to the public through several underwriters and the Company registered the Shares and initiated reporting under the Exchange Act. The initial public offering in the United States was conducted in large measure to gain access to the markets in the United States. In addition, in December 2019 and October 2020, major shareholders completed secondary offerings whereby 5 million and 2 million Shares respectively were sold to the public registered cross border sales. An active trading market in the United States remains an objective of the Company's and would not be furthered by, nor is it consistent with, conducting a "series of transactions" involving one or more of the effects described in Rule 13e-3(a)(ii). The Company believes, as evidenced by the minimal impact on the public float noted above, that the Offer will not have a meaningful impact on liquidity of the Shares. The Company thus confirms that the Offer is not effected with a view to increasing the probability of success or reducing the aggregate expense of, or otherwise facilitating, a going private transaction.

Finally, as an additional safeguard against the occurrence of an effect under Rule 13e-3(a)(3)(ii), the Company has made it a condition to the Offer that the consummation of the Offer and the purchase of the Shares will not be reasonably likely to (i) cause the Shares to be delisted from Nasdaq or be eligible for deregistration under the Exchange Act or (ii) constitute a "Rule 13e-3 transaction". Under the terms of the Offer, these conditions cannot be waived, and the Company has no intention of seeking delisting or deregistration of the Shares from Nasdaq (or the TSX) in the future.

As will be disclosed in the Circular, the purpose of the Offer is to return capital to the Company's Shareholders and not to effect, or be the first step in effecting, a Rule 13e-3 transaction. The Company therefore does not believe that the Offer would have a reasonable likelihood or a purpose of producing a Rule 13e-3 transaction.

## **Issues Presented**

### *Rule 13e-4(g)*

Rule 13e-4(g) permits a tender offer by a Canadian issuer for a class of its own securities to proceed in the United States in accordance with all relevant Canadian federal, provincial and territorial rules and regulations. The rule provides that, for cash offers, if a Schedule 13E-4F is filed with the Commission, the requirements of Section 13(e)(1) of the Exchange Act and Rule 13e-4 and Schedule TO thereunder will be deemed satisfied with respect to any issuer tender offer where the issuer is incorporated or organized under the laws of Canada (or any Canadian province or territory), is a foreign private issuer and is not an investment company registered or required to be registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"), if less than 40% percent of the class of securities that is the subject of the tender offer is held by U.S. holders (collectively, the "**status requirements**") and the tender offer is subject to, and the issuer complies with, the laws, regulations and policies of Canada and/or any of its provinces or territories governing the conduct of the offer (unless the issuer has received an exemption(s) from, and the issuer tender offer does not comply with, requirements that otherwise would be prescribed by Rule 13e-4).

The note to Rule 13e-4(g) provides that notwithstanding a grant of an exemption from one or more of the applicable Canadian regulatory provisions imposing requirements that otherwise would be prescribed by such section, an issuer tender offer will be eligible to proceed in accordance with the requirements of Rule 13e-4(g) if the Commission by order determines that the applicable Canadian regulatory provisions are adequate to protect the interests of investors.

### *MJDS Eligibility*

The Company meets all of the following MJDS status requirements that would be required to use Schedule 13E-4F:

- The Company is organized under the laws of Canada;
- The Offer involves a cash tender offer by the Company for the Company's Shares;

- As of January 31, 2021<sup>16</sup>, the Company believes that approximately 34% of the outstanding Shares were held by U.S. holders determined as provided in the MJDS<sup>17</sup>;
- The Company is a “foreign private issuer”, as such term is defined in Rule 405 of Regulation C under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”); and
- The Company is not an investment company registered or required to be registered under the Investment Company Act.

*Implication of Exemptive Relief in Canada*

The Company has obtained exemptive relief from the AMF that exempts the Company from the following Canadian regulatory requirements with respect to the Offer:

- the requirements for Canadian proportionate take-up and associated disclosure requirements; and
- the extension take-up requirements.

Such exemptive relief decision order is referred to herein as the “**AMF Exemptive Relief Order**”.

Although the Company meets the status requirements of Rule 13e-4(g), the Rule requires an analysis, whenever an issuer has received exemptive relief under Canadian rules, of whether the relief sought is from a requirement that otherwise would be prescribed by Section 13(e)(1) and Rule 13e-4 and Schedule TO thereunder. If this is the case, to proceed with the Offer in reliance on Rule 13e-4(g), an issuer must seek an order from the Commission that the applicable Canadian regulatory provisions are adequate to protect the interests of investors.<sup>18</sup>

*Limited Canadian Exemptive Relief*

Except for the exemptions described below, the Offer is being made in compliance with, and subject to, applicable Canadian regulatory requirements. Such requirements listed in the letter include, among others, required disclosure items; minimum deposit period; mandatory withdrawal rights; rules regarding when securities must be taken up and paid for; and

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<sup>16</sup> In accordance with General Instruction I(A)(3) to Schedule 13E-4F, the operative date for calculating U.S. ownership for purposes of determining eligibility for MJDS is the end of the Company’s last quarter or, if such quarter terminated within 60 days of the filing date, as of the end of the preceding quarter. If the Company commences the Offer on or about June 18, 2021, the operative date would be January 31, 2021. As of January 31, 2021, the Company believes that approximately 34% of the outstanding Shares were held by U.S. holders.

<sup>17</sup> In accordance with Instruction 2 to General Instruction I(A) to Schedule 13E-4F, “U.S. holders” includes any person with a U.S. address on the records of the Company, any voting trustee, any depository, any share transfer agent or any person acting in a similar capacity on behalf of the Company.

<sup>18</sup> See Note to Rule 13e-4(g).

prohibitions on the issuer purchasing shares during the offer (other than pursuant to the offer). These requirements and others parallel the protections applicable to U.S. tender offers under the Williams Act.

*A. Relief from the Canadian Proportionate Take-Up and Disclosure Requirements*

The Company has received relief from Canadian proportionate take-up and disclosure requirements. The Canadian proportionate take-up requirements require an offeror to take up and pay for securities deposited pursuant to an issuer tender offer proportionately according to the number of securities deposited by each depositing securityholder. See Section 2.26 of NI 62-104.<sup>19</sup> The Canadian proportionate take-up disclosure requirements require an issuer tender offer to disclose that the issuer will take up proportionately according to the number of shares tendered pursuant to the offer. See Item 8 of Form 62-104F2 to NI 62-104. Although Beaudier controls 27.7% of the outstanding shares of the Company on an as-converted basis, the relief being sought by the Company is nearly identical to the relief previously sought and granted in June of 2019 in connection with its tender offer that contained a Proportionate Tender feature (the “**2019 BRP Letter**”), and is similar to the relief sought by Thomson Reuters Corporation in connection with its issuer tender offer that also contained such a feature (the “**Thomson Reuters Letter**”), where the shareholders seeking relief to tender proportionately held more than half of the outstanding shares.<sup>20</sup>

The relief being sought by the Company in connection with the Offer is also similar to the relief from the Canadian proportionate take up and disclosure requirements that historically

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<sup>19</sup> The Canadian “proportionate take-up” requirements are substantially the same as the pro-rata requirements of Rule 13e-4(f)(3).

<sup>20</sup> See BRP Inc. no action letter (available June 13, 2019); Thomson Reuters Corporation no action letter (available August 28, 2018). The offer by Thomson Reuters provided shareholders with the ability to tender their shares using an Auction Tender, a Purchase Price Tender or a Proportionate Tender in a manner similar to the Offer. While the percentage of shares held of record by U.S. holders stated in the Thomson Reuters letter was approximately 10%, as compared with approximately 21% in the Company’s case as cited in its 2019 no action letter, and approximately 34% in 2021, such percentage is nevertheless still lower than the 40% threshold specified by Rule 13e-4(g). See also the Shell Canada Limited no action letter (available April 30, 1997), which provided for shares to be tendered pursuant to either Auction Tenders or Proportionate Tenders, and the Schedule 13e- 4 of Imperial Oil Limited (filed publicly June 28, 1996), in which shares could also be tendered pursuant to either Auction Tenders or Proportionate Tenders (although we acknowledge that the Staff did not take action in the case of Imperial Oil Limited). In each of the Thomson Reuters, Shell Canada and Imperial Oil offers, the majority shareholder advised the company it would tender its shares pursuant to a Proportionate Tender.

were obtained<sup>21</sup> in Canadian modified “Dutch auction” issuer tender offers.<sup>22</sup> We respectfully submit that the relief obtained from the AMF for the Offer with respect to the Canadian proportionate take-up and disclosure requirements should not result in the loss of MJDS eligibility because the applicable Canadian regulatory provisions are adequate to protect the interest of investors.

*B. Relief from the Extension Take-Up Requirements*

If all of the terms and conditions of the Offer have been complied with or waived by the date the Offer is initially scheduled to expire (the “**Initial Expiration Date**”) but the aggregate purchase price for Shares validly tendered pursuant to Auction Tenders and Purchase Price Tenders is less than or equal to the Auction Tender Limit Amount, the Company may wish to extend the Offer if it believes that it is in the best interests of the Company to do so. The Canadian extension take-up requirements would prohibit the Company from doing so due to the Purchase Price and mechanics required to facilitate the availability of Proportionate Tenders in the Offer. Under the extension take-up requirement contained in Section 2.32 of NI62-104, an issuer may not extend an issuer tender offer if all the terms and conditions of the issuer tender offer have been complied with or waived unless the issuer first takes up all the securities deposited and not withdrawn under the issuer bid. Accordingly, the Company has obtained relief of the extension take-up requirement from the AMF.

It should be noted that if the Offer is extended, Shareholders that had tendered prior to the Initial Expiration Date would maintain their withdrawal rights as withdrawal rights will be available until the final expiration of the Offer.

*The Interest of Investors is Adequately Protected*

For non-MJDS issuer tender offers conducted in the United States, Rule 13e-4(f)(3) under the Exchange Act establishes the pro rata take-up requirement and, similar to the Canadian requirements, require that in the context of a partial issuer tender offer, the issuer will be required to take up securities tendered into the offer on a *pro rata* basis according to the number of securities tendered into the offer. As described above, the Offer has two separate proration pools: one for Auction Tenders and Purchase Price Tenders, and a separate pool for Proportionate Tenders. Although there is a mathematical possibility that Shares tendered pursuant to Auction Tenders and Purchase Price Tenders and Shares tendered pursuant to Proportionate Tenders will all be subject to proration at the same rate, this possibility is

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<sup>21</sup> We understand that modified Dutch auctions are expressly permitted by applicable Canadian securities governing the Offer, and therefore the relief sought under Canadian securities laws to conduct a modified Dutch auction issuer tender offer is no longer required.

<sup>22</sup> See, e.g., MDS Inc. no action letter (available February 28, 2007), PetroKazakhstan Inc. no action letter (available June 10, 2004). See also the Schedule 13E-4F filings of DataMirror Corporation (February 11, 2005), Descartes Systems Group Inc. (June 4, 2003), Quebecor World Inc. (April 28, 2003), and Russel Metals Inc. (March 6, 2000). While none of these offers gave shareholders the option to tender shares pursuant to a Proportionate Tender feature, each of these offers, like the Offer, included a modified Dutch auction process and, accordingly, relief was granted in Canada from the proportionate take-up and disclosure requirements.



statistically unlikely. Notwithstanding this disparity, we submit that the interests of investors are adequately protected, and therefore that the MJDS should continue to exempt the Offer from any such requirement.

The policy reasons for having a U.S. pro rata requirement are fully addressed by the Offer. The purpose of the pro rata requirement is to “allow all shareholders a fair opportunity to participate in the offer.” Proposing Release No. 14234 under the Exchange Act (December 8, 1977) (in reference to Section 14(d)(6) of the Exchange Act, the third party tender offer counterpart of Rule 13e-4(f)(3)). During the period the Offer is open, all Shareholders have an equal opportunity to tender all, none or some portion of their Shares.<sup>23</sup> Shareholders who tender Shares pursuant to Auction Tenders and Purchase Price Tenders will be subject to proration on an equal basis with other Shareholders tendering Shares pursuant to Auction Tenders and Purchase Price Tenders and, in the case of the Offer, will tender such Shares with advance knowledge that Beaudier is tendering its Shares pursuant to a Proportionate Tender. Shareholders who tender Shares pursuant to Proportionate Tenders have voluntarily opted out of participating in the Auction Tender and Purchase Price Tender side of the Offer, and have elected to be prorated as described above, with advance knowledge that Shares tendered pursuant to Auction Tenders and Purchase Price Tenders may be prorated at a different rate. In fact, the option to tender Shares pursuant to Proportionate Tenders gives Shareholders the added ability to maintain their percentage ownership without having to “guess” the appropriate number of Shares to tender and the appropriate price to specify to achieve this result.<sup>24</sup>

We believe that the provision in the Offer for Proportionate Tenders and the utilization of that method of tender by Beaudier is beneficial to public Shareholders, and therefore to U.S. Shareholders, in two ways.

First, the mechanics of the Proportionate Tender isolate those Shareholders that elect to tender in this manner from the determination of Purchase Price and the aggregate number of Shares tendered, neutralizing the potential effect of tendering choices by those Shareholders on

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<sup>23</sup> However, Shareholders wishing to take advantage of the preference afforded to Odd Lot Holders must tender all of their Shares.

<sup>24</sup> We believe that it is unlikely that giving Shareholders the alternative to tender Shares pursuant to Proportionate Tenders has a depressive effect on the Purchase Price and the inclusion of the feature may, in fact, have the opposite effect. Such Shareholders, including Beaudier, tender Shares knowing that the Purchase Price may be determined to be the lowest price within the price range set for Auction Tenders. Such Shareholders are thus willing to tender Shares at such low price, and if they were not given the option to tender Shares pursuant to a Proportionate Tender would more likely be among the lowest bidders participating in the Auction Tenders, as such Shareholders are by definition more interested in maintaining a fixed percentage ownership than in ensuring Shares are only sold at a high price. This is due to the fact that Shareholders that have agreed to tender their Shares pursuant to Proportionate Tenders will have agreed to have the Purchase Price set by those Shareholders tendering through Auction Tenders-if the Purchase Price (within the Specified Minimum Price and the Specified Maximum Price) was a priority, such Shareholders would likely have made Auction Tenders. In addition, if such Shareholders “guessed” wrong and, at a price below the Purchase Price, tendered more Shares than necessary to maintain their proportionate interest, the Purchase Price would be lower than if a Proportionate Tender option was available.

those results of the auction. As explained above, the Purchase Price will be determined entirely by Shareholders that make Auction Tenders or Purchase Price Tenders; a Shareholder that makes a Proportionate Tender accepts that Purchase Price, whatever it is determined to be (and hence is, in capital markets terminology, a “price taker”). Similarly, because the number of Shares tendered by Shareholders that elect to tender by Proportionate Tender are proportionate to the number of Shares tendered by Shareholders that elect to tender by means of an Auction Tender or a Purchase Price Tender, the latter shareholders determine the aggregate number of Shares tendered to the Offer (and hence a Shareholder that makes a Proportionate Tender is also a “volume taker”). Thus, when a Shareholder participates in the Offer by making a Proportionate Tender, it cedes to Shareholders that tender in another manner control over the outcome.

By contrast, if major Shareholders were to participate otherwise than by way of Proportionate Tender, it could distort or even determine the results of the auction. For example, Beaudier could effectively set the Purchase Price by tendering by Auction Tender a number of Shares that, at the Specified Minimum Price (or, in practice, a higher price per Share), equaled the Specified Maximum Dollar Amount. As demonstrated in Examples C-1, C-2 and C-3 set forth on Exhibit A, Beaudier could also, for example, tender all of its Shares by Purchase Price Tender and appropriate to itself a disproportionately large portion of the volume of Shares taken up, and any premium paid, under the Offer. This is the same outcome that led to the relief granted in the 2019 BRP Letter and the Thomson Reuters Letter.

Finally, while, as explained above, in the case of an oversubscribed Offer, a Proportionate Tender would affect proration of Shares tendered by Auction Tender or Purchase Price Tender, if the Proportionate Tender option were unavailable, Beaudier’s tender of all or a substantial portion of its Shares under another option would constrain take-up of Shares by other Shareholders either by affecting proration or by excluding take-up of Shares tendered at prices per Share in excess of the Purchase Price, likely determined by Beaudier. See the first two examples (Examples C-1 and C-2) with respect to Purchase Price Tenders under “Scenario C (Oversubscribed Where Proportionate Tender Option Not Available)” set forth in Exhibit A. In addition, it would be impracticable for Beaudier to tender and achieve its objective of maintaining its existing ownership positions; this would require an accurate estimate of the prices and number of Shares tendered by other Shareholders, with incorrect estimates potentially producing results significantly different from the objective of maintaining their exact ownership positions. See the third example (Example C-3) under “Scenario C (Oversubscribed Where Proportionate Tender Option Not Available)” set forth in Exhibit A.

As importantly, the Proportionate Tender mechanics are intended to eliminate the potential influence of major Shareholders on the outcome of the Offer between such major Shareholders, on the one hand, and all other Shareholders in the aggregate, on the other hand. Because major Shareholders tender proportionately with other Shareholders in the aggregate, they cannot gain financially from those other Shareholders, as they would if they tendered disproportionately more Shares and the Purchase Price per Share fell or if they tendered disproportionately fewer Shares and the Purchase Price per Share rose.

The Proportionate Tender thus serves to ensure fair treatment of those Shareholders that do not tender under a Proportionate Tender. It is for this reason that in issuer tender offers in Canada (which are known as substantial issuer bids) made by companies that have a majority or major shareholder, the market practice is that such shareholder participates by way of Proportionate Tender.

As noted above, the Company believes it is important to include the Proportionate Tender alternative to avoid the risk that a major Shareholder could distort pricing or make up a disproportionate percentage of the Shares taken up. The Offer is being made at a premium to the market price on the date of pricing and will not be subject to broker commissions, which the Company believes would be attractive to any Shareholder, including major Shareholders. Accordingly, the Company believes that without a Proportionate Tender alternative and a corresponding commitment from Beaudier to elect the Proportionate Tender, there is significant risk that Beaudier could make up a disproportionate amount of the Shares taken up and thereby also drive pricing of the Offer, as is further illustrated by Examples C-1 and C-2 set forth on Exhibit A. With a commitment from Beaudier to make a Proportionate Tender election, its tender will have no influence over the price in the Offer and it will be limited to sell no more than its pro rata portion of Shares. Because the Offer is being made to all Shareholders, the Company believes that it is appropriate and in the best interest of all Shareholders for tenders from public Shareholders to determine pricing and participation levels, with Beaudier as a passive participant in the Offer.

Second, provision for Proportionate Tenders is necessary if the Company is to make the Offer. The Offer is beneficial to public Shareholders, including U.S. Shareholders, because the Offer is priced at a premium to current trading levels and because holders will be able to sell their Shares on a commission-free basis. Beaudier has advised the Company that it will participate in the Offer, and will do so by electing a Proportionate Tender. A special committee composed of independent directors (the “**Special Committee**”) has recommended the Offer to the Board on the basis that Beaudier has advised the Company that it will participate in the Offer and will elect the Proportionate Tender. The Company’s goal is to ensure the fair treatment of all shareholders, which the Company believes can only be achieved if the amount Beaudier can tender is limited so that it does not capture an outsized benefit from the Offer. Therefore, without a Proportionate Tender alternative and a commitment from Beaudier to make Proportionate Tenders, the Special Committee would need to reconsider the merits of the Offer and public Shareholders may lose this opportunity to sell Shares at a premium. As a result, the Proportionate Tender alternative is essential to the Offer and there is no clear alternative way to provide the Company’s stockholders with an opportunity for partial liquidity at a premium to current trading prices.

In evaluating the Offer and determining that it would be in the best interests of the Company, the Special Committee and the Board of Directors gave careful consideration to a number of factors, including whether the recent trading price range of the Shares is not considered to be fully reflective of the value of the Company’s business and future prospects (and consequently the repurchase of Shares represents an attractive investment and an

appropriate and desirable use of available funds) and that, after giving effect to the Offer, the Company will continue to have sufficient financial resources and working capital to conduct its ongoing business and operations and the Offer is not expected to preclude the Company from pursuing its foreseeable business opportunities or the future growth of the Company's business. In addition, as noted in the Company's application to the AMF, from the Company's perspective, an issuer bid is a more flexible mechanism for the return of cash to shareholders than a special dividend (i.e., a dividend provides less flexibility to shareholders to pursue differing tax and financial planning goals and an issuer bid allows shareholders to choose whether to participate or not, and if they choose not to participate, they thereby increase their proportionate share ownership following completion of the bid).

The Company notes that unlike in the United States where the Company could individually negotiate a repurchase with Beaudier, in Canada, if the Company repurchases from Beaudier, the Company is required to make an offer to all of its Shareholders. As a result, the only viable option in Canada for a repurchase of the size the Company is seeking is to conduct a tender offer open to all of its Shareholders. Given the Offer is being made to all of the Company's Shareholders, the Company believes that it is appropriate and in the best interest of all Shareholders for tenders from public shareholders to drive pricing and participation levels and only permit Beaudier to be a passive participant in the Offer. In light of the foregoing, the Board of Directors determined, based on the recommendation of the Special Committee and careful consideration of the foregoing factors, among others, that the Offer, including the Proportionate Tender feature, is in the best interests of the Company and its Shareholders and is superior to alternative uses of the capital to be expended, including cash dividends and other business opportunities. Because the relative attractiveness of an issuer bid is dependent on market conditions and the trading price of the Shares, the Company has requested the relief described herein on an expedited basis. If relief is not able to be expedited and the markets shift, holders may lose this opportunity to sell their Shares at a premium and the Company may forgo the Offer altogether, which would otherwise be expected to increase the trading price per Share for all Shareholders.

With respect to the Canadian exemptive relief regarding the extension take-up requirements, the Company is permitted to extend the Offer without having to take-up Shares on the Initial Expiration Date. Consistent with Rule 14e-1, the Company would issue a press release no later than 9:00 a.m. (Eastern time) on the next business day after the scheduled expiration date with such press release disclosing the approximate number of Shares deposited to date. Since these procedures to extend the Offer would be in compliance with Rule 14e-1(d), receiving exemptive relief from the extension take-up requirements should not trigger the need for a Commission order.

Finally, as noted above, the Company previously successfully completed an offer with the same structure to holders of Shares on July 23, 2019 (the "**2019 Tender**"). In the 2019 Tender, the maximum offer size was C\$300 million and the purchase price was C\$47.30 per Share, with the Company ultimately taking up and paid for 6,342,494 Shares. A total of 3,102,768 Shares were taken up and purchased pursuant to auction tenders at or below the

purchase price and purchase price tenders. Since the offer was oversubscribed, shareholders who made auction tenders at or below the purchase price and purchase price tenders had approximately 95.8% of their successfully tendered Shares purchased by BRP (other than “odd lot” tenders, which were not subject to proration). 3,239,726 Shares were taken up and purchased pursuant to proportionate tenders. At the time of the 2019 Tender, Bain Capital and Beaudier, together with other Proportionate Tender participants, collectively owned 51.1% of the outstanding shares on an as-converted basis and, had they tendered all of their Shares as Purchase Price Tenders, would have accounted for nearly 90% of the 6.3 million Shares accepted for purchase. Had Beaudier alone tendered all of its Shares as Purchase Price Tenders, owning approximately 29% of the outstanding shares of the Company on an as-converted basis, assuming the shareholders who made auction tenders and purchase price tenders tendered at the same rate<sup>25</sup> its tender would have accounted for approximately 90% of the 6.3 million Shares accepted for purchase.

Instead, as a result of the Proportionate Tender mechanics, 6.3 million Shares (3.2 million of which were purchased from Beaudier and Bain Capital) of the 21.4 million Shares tendered as Proportionate Tenders were purchased. The AMF granted exemptive relief for the 2019 Tender on June 11, 2019.

Given the appreciation in the Company’s stock price since 2019, a significant shareholder such as Beaudier has an even greater ability to influence the outcome of the offer if participating through Purchase Price Tenders. In the 2019 Tender, the maximum offer size was C\$300 million and the purchase price was C\$47.30 per Share, with the Company ultimately taking up and paying for 6,342,494 Shares, which would have represented 22.7% of Beaudier’s ownership prior to the 2019 Tender. Here, even assuming the lowest purchase price possible, the Specified Minimum Price, the Company could at most purchase 3,723,404 Shares, which would represent only 16.0% of Beaudier’s ownership prior to the Offer. Accordingly, in an Offer without the requested relief, Beaudier could appropriate for itself a disproportionately *larger* portion of a *larger* offer than the 2019 Tender and do so while suffering a *smaller* percentage ownership dilution.

The Company received an exemptive relief order from the AMF for this Offer on June 22, 2021. For the reasons described herein, we submit that the relief requested below should be granted because it would be consistent with the public interest and the protection of investors and would further the purposes intended by the policy and provisions of the Exchange Act.

### *Relief Requested*

Based on the facts set forth herein, the Company respectfully requests that the Commission issue an order to permit the Offer to proceed under the MJDS and pursuant to Rule

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<sup>25</sup> Derived by taking the 3,102,768 shares accepted pursuant to purchase price or auction rate tenders divided by the take up rate of 95.8% to yield an estimated, 31.2 million shares tendered in aggregate, for purposes of this hypothetical.

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13e-4(g), and without complying with the provisions of Section 13(e)(1) of the Exchange Act and Rule 13e-4 thereunder.

If you have any questions or comments with respect to this matter, or need additional information, please contact Rachel Phillips at 212-841-8857 ([rachel.phillips@ropesgray.com](mailto:rachel.phillips@ropesgray.com)).

Yours truly,

/s/ Rachel Phillips

cc: Martin Langelier and Paule Morisset, BRP Inc.

cc: Warren Katz and Aniko Pelland, Stikeman Elliott LLP

## Exhibit A

### Assumptions:<sup>26</sup>

- Shares outstanding (assuming conversion of all Multiple Voting Shares into Shares): 84 million
- Beaudier ownership (shares, on an as-converted basis): 23.3 million
- Beaudier ownership (% of shares outstanding, on an as-converted basis): 27.7%
- Shares Tendered pursuant to Proportionate Tenders: 23.3 million<sup>27</sup>
- Shares Tendered pursuant to Proportionate Tenders (% of Shares outstanding): 27.7% (the “**Proportionate Tender Percentage**”)
- Specified Maximum Dollar Amount: C\$350 million
- Auction Tender Limit Amount: C\$253 million
- Specified Minimum Price: C\$94.00
- Specified Maximum Price: C\$113.00
- Ignore Odd Lot Tenders for purposes of proration analysis
- The “**Applicable Auction Tender Amount**” means the minimum of (i) the Auction Tender Limit Amount and (ii) the sum of (x) the Auction Tenders and (y) the Purchase Price Tenders
- Proportionate Take Up<sup>28</sup>:  $(\text{Applicable Auction Tender Amount} / (1 - \text{Proportionate Tender Percentage})) - (\text{Applicable Auction Tender Amount})$

### Hypothetical Scenarios<sup>29</sup>

#### *Scenario A (Undersubscribed or Fully Subscribed with Proportionate Tender Option)*

In this scenario, we present examples in which the Offer is either undersubscribed or fully subscribed, and assuming that each of the Auction Tender, Purchase Price Tender and the Proportionate Tender options is available, as is currently contemplated in the Offer.

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<sup>26</sup> The values presented Specified Maximum Dollar Amount, the Specified Minimum Price or the Specified Maximum Price are for illustrative purposes only. Numbers may not precisely calculate due to rounding.

<sup>27</sup> Shareholders other than Beaudier would have the right to tender via Proportionate Tenders; however, for purposes of these examples, we have assumed that only Beaudier would do so.

<sup>28</sup> With respect to the proration of Shareholders making Proportionate Tenders, the Company will purchase at the Purchase Price that portion of the Shares owned by such Shareholders that results in such tendering Shareholders maintaining their proportionate equity ownership in the Company following completion of the Offer.

<sup>29</sup> Due to rounding, numbers may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

*Example A-1 (Undersubscribed):*

- A total of 2.0 million Shares tendered pursuant to Auction Tenders and Purchase Price Tenders
- Purchase Price: C\$113.00
- Aggregate Tender Purchase Amount: C\$226 million
  - Is Aggregate Tender Purchase Amount equal to or less than Auction Tender Limit Amount? Yes.
  - No proration of Auction Tenders and Purchase Price Tenders
- Take-up from Proportionate Tenders:
  - $C\$226 \text{ million} / 72.3\% - C\$226 \text{ million} = C\$87 \text{ million}$
  - $C\$87 \text{ million} / C\$113.00 = 0.8 \text{ million Shares}$

Result: A total of 2.8 million Shares (0.8 million Shares pursuant to Proportionate Tenders and 2.0 million Shares pursuant to Auction Tenders and Purchase Price Tenders) will be purchased at Purchase Price of C\$113 per Share.

*Example A-2 (Fully Subscribed):*

- A total of 2.23 million Shares tendered pursuant to Auction Tenders and Purchase Price Tenders
- Purchase Price: C\$113.00
- Aggregate Tender Purchase Amount: C\$252.0 million
  - Is Aggregate Tender Purchase Amount equal to or less than Auction Tender Limit Amount? Yes.
  - No proration of Auction Tenders and Purchase Price Tenders
- Take-up from Proportionate Tenders:
  - $C\$252 \text{ million} / 72.3\% - C\$252 \text{ million} = C\$96.6 \text{ million}$
  - $C\$96.6 \text{ million} / C\$113 = 0.9 \text{ million Shares}$

Result: A total of 3.13 million Shares (2.23 million Shares pursuant to Proportionate Tenders and 0.9 million Shares pursuant to Auction Tenders and Purchase Price Tenders) will be purchased at Purchase Price of C\$113 per Share.

***Scenario B (Oversubscribed with Proportionate Tender Option)***<sup>30</sup>

In this scenario, we present an example in which the Offer is oversubscribed, and assuming that each of the Auction Tender, Purchase Price Tender and the Proportionate Tender options is available, as is currently contemplated in the Offer.

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<sup>30</sup> Auction Tender and Purchase Price take-up and related proration factors are shown in the aggregate in this scenario for illustrative purposes only. As discussed in note 4 above, proration will be calculated similar to the pro rata calculation described in Rule 13e-4(f)(3) and corresponding Canadian rules.



*Example B-1 (Oversubscribed Proportionate Tender):*

- A total of 3.0 million Shares tendered at or below Purchase Price pursuant to Auction Tenders and Purchase Price Tenders (see table below, *data in millions except per share amounts*)

Price (C\$)	Number of Shares Tendered		Cumulative Shares Tendered	Aggregate Tender Purchase Amount (C\$)
	Purchase Price Tenders	Auction Price Tenders		
<b>94.00</b>	0.5	0.5	1.0	94
<b>97.80</b>	-	1.0	2.0	196
<b>101.60</b>	-	1.0	3.0	305
<b>105.40</b>	-	1.0	4.0	422
<b>109.20</b>	-	1.0	5.0	546
<b>113.00</b>	-	1.0	6.0	678

- Purchase Price: C\$101.60
- Aggregate Tender Purchase Amount: C\$304.8 million
  - Is Aggregate Tender Purchase Amount equal to or less than Auction Tender Limited Amount? **No**.
  - Auction Tenders and Purchase Price Tenders pro-rated
  - Proration Factor = C\$253 million / C\$304.8 million = 83%<sup>31</sup>
  - C\$253 million / C\$101.60 = 2.5 million Shares
- Take-up from Proportionate Tenders:
  - C\$253 million / 72.3% - C\$253 million = C\$97 million
  - C\$97 million / C\$101.60 = 0.95 million Shares

**Result:** A total of 3.4 million Shares (0.95 million Shares pursuant to Proportionate Tenders and 2.4 million Shares pursuant to Auction Tenders and Purchase Price Tenders) will be purchased at Purchase Price of C\$101.60 per Share. Proportionate Tenders constitute 27.7% of the Shares taken up in the Offer.

<sup>31</sup> Applicable only to Shares tendered at prices at or below the Purchase Price of C\$101.60. All Shares held by the public and tendered at prices above C\$101.60 returned to shareholders.

***Scenario C (Oversubscribed Where Proportionate Tender Option Not Available)***<sup>32</sup>

In this scenario, we present three examples in which the Offer is oversubscribed, and assuming that only the Auction Tender and Purchase Price Tenders options are available, and the Proportionate Tender option is not available.

***Example C-1 (Oversubscribed Where Proportionate Tender Option Not Available):***

- Beaudier tenders 23.3 million shares (100% of its investment)
- Shares tendered by non-Beaudier Shareholders pursuant to Auction Tenders and Purchase Price Tenders according to table below (*data in millions except per share amounts*)

Price (C\$)	Number of Shares Tendered			Cumulative Shares Tendered	Aggregate Tender Purchase Amount (C\$)
	Beaudier Purchase Price Tender	“Public” Purchase Price Tenders	“Public” Auction Price Tenders		
<b>94.00</b>	23.3	0.5	0.5	<b>24.3</b>	<b>2,283</b>
<b>97.80</b>	-	-	1.0	25.3	2,473
<b>101.60</b>	-	-	1.0	26.3	2,670
<b>105.40</b>	-	-	1.0	27.3	2,876
<b>109.20</b>	-	-	1.0	28.3	3,088
<b>113.00</b>	-	-	1.0	29.3	3,309

- Purchase Price: C\$94.00
- Total Value of Shares Tendered: C\$2,283 million
- Specified Maximum Dollar Amount: C\$350 million
- Proration Factor: C\$350 million / C\$2,283 million = 15%<sup>33</sup>
- Beaudier Shares Accepted for Purchase: 23.3 million \* 15% = 3.6 million
- Non-Beaudier Shares Accepted for Purchase: 1.0 million \* 15% = 0.1 million

<sup>32</sup> Auction Tender and Purchase Price take-up and related proration factors are shown in the aggregate in this scenario for illustrative purposes only. As discussed in note 4 above, proration will be calculated similar to the pro rata calculation described in Rule 13e-4(f)(3) and corresponding Canadian rules.

<sup>33</sup> Applicable only to Shares tendered as Purchase Price Tenders at the Purchase Price of C\$94.00. All Shares held by the public and tendered at prices above C\$94.00 returned to shareholders.

**Result:** A total of 3.7 million Shares (3.6 million Beaudier Shares and 0.1 million non-Beaudier Shares) will be purchased at Purchase Price of C\$94.00 per Share. Beaudier constitutes 96% of the Shares taken up in the Offer.

*Example C-2 (Oversubscribed Where Proportionate Tender Option Not Available):*

- Beaudier tenders 11.6 million Shares (50% of its investment)
- Shares tendered by non-Beaudier Shareholders pursuant to Auction Tenders and Purchase Price Tenders according to table below (*data in millions except per share amounts*)

Price (C\$)	Number of Shares Tendered			Cumulative Shares Tendered	Aggregate Tender Purchase Amount (C\$)
	Beaudier Purchase Price Tender	“Public” Purchase Price Tenders	“Public” Auction Price Tenders		
<b>94.00</b>	11.6	.5	.5	12.6	1,188
<b>97.80</b>	-	-	1.0	13.6	1,334
<b>101.60</b>	-	-	1.0	14.6	1,488
<b>105.40</b>	-	-	1.0	15.6	1,649
<b>109.20</b>	-	-	1.0	16.6	1,817
<b>113.00</b>	-	-	1.0	17.6	1,993

- Purchase Price: C\$94.00
- Total Value of Shares Tendered: C\$1,188 million
- Specified Maximum Dollar Amount: C\$350 million
- Proration Factor:  $C\$350 \text{ million} / C\$1,188 \text{ million} = 29.5\%$ <sup>34</sup>
- Beaudier Shares Accepted for Purchase: 11.6 million \* 29.5% = 3.4 million
- Non-Beaudier Shares Accepted for Purchase: 1.0 million \* 29.5% = 0.3 million

**Result:** A total of 3.7 million Shares (3.4 million Beaudier Shares and 0.3 million non-Beaudier Shares) will be purchased at Purchase Price of C\$94.00 per Share. Beaudier constitutes 92% of the Shares taken up in the Offer.

<sup>34</sup> Applicable only to Shares tendered as Purchase Price Tenders at the Purchase Price of C\$94.00. All Shares held by the public and tendered at prices above C\$94.00 returned to shareholders.

*Example C-3 (Oversubscribed Where Proportionate Tender Option Not Available):*

- Beaudier tenders 1.0 million Shares (4.1% of its investment, constituting an anticipated value of their proportionate position in the Offer - if Beaudier estimates the Purchase Price would be C\$101.60, for example, 0.95 million Shares would be valued at C\$97 million, or 27.7% of C\$350 million)<sup>35</sup>
- Shares tendered by non-Beaudier Shareholders pursuant to Auction Tenders and Purchase Price Tenders according to table below (*data in millions except per share amounts*)

Price (C\$)	Number of Shares Tendered			Cumulative Shares Tendered	Aggregate Tender Purchase Amount (C\$)
	Beaudier Purchase Price Tender	“Public” Purchase Price Tenders	“Public” Auction Price Tenders		
<b>94.00</b>	1.0	.6	.6	2.2	203
<b>97.80</b>	-	-	1.2	3.4	328
<b>101.60</b>	-	-	1.2	4.6	463
<b>105.40</b>	-	-	1.2	5.8	607
<b>109.20</b>	-	-	1.2	7.0	759
<b>113.00</b>	-	-	1.2	8.2	922

- Purchase Price: C\$101.60
- Total Value of Shares Tendered: C\$462.8 million
- Specified Maximum Dollar Amount: C\$350 million

<sup>35</sup> Percentage adjusted to account for rounding. Beaudier would need to tender 954,910 shares. This scenario represents an outcome whereby Beaudier attempts to maintain its existing 27.7% ownership position (with Proportionate Tenders). This would be an unlikely real world scenario because Beaudier would be unlikely to be able to accurately estimate actual participation by public Shareholders. If Beaudier anticipates a high degree of public participation at the Purchase Price (which could result in a low proration factor), then Beaudier could tender a higher number of Shares in order to maintain its approximate existing ownership positions. However, if the Offer is only fully or even undersubscribed, this would result in Beaudier’s Shares being taken up disproportionately with the public Shares, thus allowing Beaudier to capture a disproportionate portion of the premium offered, but decreasing its post-Offer ownership position. On the other hand, if Beaudier anticipates low public participation (and thus a higher proration factor), it would tender fewer Shares in an effort to maintain its ownership position. However, if the Offer is in fact oversubscribed, this would result in the public Shareholders’ Shares being taken up disproportionately, thus concentrating Beaudier’s ownership positions.

- Proration Factor:  $C\$350 \text{ million} / C\$462.8 \text{ million} = 75.6\%$ <sup>36</sup>
- Beaudier Shares Accepted for Purchase:  $1.0 \text{ million} * 75.6\% = 0.7 \text{ million}$
- Non-Beaudier Shares Accepted for Purchase:  $3.6 \text{ million} * 75.6\% = 2.7 \text{ million}$

Result: A total of 3.4 million Shares (approximately 0.7 million Beaudier Shares and 2.7 million Non- Beaudier Shares) will be purchased at Purchase Price of C\$101.60 per Share. Beaudier constitutes 21% of the Shares taken up in the Offer and its pro forma ownership is maintained at approximately 28.0%.

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<sup>36</sup> Applicable only to Shares tendered as Purchase Price Tenders at the Purchase Price of C\$101.60 and below. All Shares held by the public and tendered at prices above C\$101.60 returned to shareholders.