

PowerGard™ Protection Plan

PowerGard Protection Plan Dept. Deere & Company, One John Deere Place, Moline, IL 61265-8089
Phone [toll-free]: 1-866-866-1212 Fax: (309)-749-0789

E-mail: SharedPPP@JohnDeere.com

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POWERGARD PROTECTION PLAN

The ***PowerGard*** Protection Plan is an extended warranty for new John Deere LSBs covering defective components/parts of the powertrain due to faulty materials or original workmanship. **PowerGard Protection** is an extension of warranty protection provided under the **Limited Powertrain Basic Warranty** for varying total months / total bales.

PowerGard pays to repair or replace covered powertrain components/parts specified in the *PowerGard* Protection Plan

Deductible

- **\$500 deductible** – per work order on all covered events – paid by customer.

PowerGard may only be purchased from authorized John Deere equipment dealers, and is available only on **new** (in first year of basic warranty) John Deere Large Square Balers.

Various coverage term options are available for new John Deere LSBs.

A *PowerGard* contract is written on the LSB PIN. It remains with the baler (until maturity), and is transferable from one owner to another.

The *PowerGard* Protection Plan is **not insurance**, and should never be represented as such.

***PowerGard* is a great way to help your customer's budget
their total cost of ownership.**

To participate in the *PowerGard* Protection Plan, dealers must adhere to the procedures and responsibilities detailed throughout this manual and sign and submit the Dealer Acknowledgement Form.

PowerGard™ Protection Plan

POWERGARD PROTECTION PLAN Large Square Balers – Limited (Powertrain) COVERAGE FORM

IMPORTANT NOTICE TO PURCHASER

The *PowerGard* Protection Plan only applies to covered powertrain components of Covered Equipment which is specifically described in the Schedule Of Coverage below and is subject to the terms, conditions, and limitations set forth in the *PowerGard* Protection Plan.

Throughout the *PowerGard* Protection Plan, the terms “you” and “your” refer to the purchaser of the *PowerGard* Protection Plan. The terms “we,” “us,” and “our” refer to John Deere*. (*With respect to purchasers in Canada, John Deere means John Deere Limited, 295 Hunter Road, P.O. Box 1000, Grimsby, Ontario, L3M 4H5. With respect to purchasers in the United States, except for the specific states identified below**, John Deere means John Deere Warranty Inc., One John Deere Place, Moline, Illinois 61265-8098.) Our obligations under the *PowerGard* Protection Plan are backed by the full faith and credit of John Deere.

**For purchasers in GA, and NY, John Deere means Deere & Company, One John Deere Place, Moline, IL, 61265-8098.

Read the *PowerGard* Protection Plan carefully. Your rights and remedies under the *PowerGard* Protection Plan are limited as indicated below. The coverage term selected below may be terminated prior to expiration under the provisions of Paragraph F. of the *PowerGard* Protection Plan. Where permitted by law, JOHN DEERE products carry no implied warranty of merchantability or fitness. The *PowerGard* Protection Plan is not insurance.

SCHEDULE OF COVERAGE

PURCHASER'S INFORMATION

Name
Address
City, State, Zip or Province, Postal Code

DEALERSHIP INFORMATION

Name
Branch # Dealer #
Address
City, State, Zip or Province, Postal Code

COVERED EQUIPMENT INFORMATION

Model #
PIN #
Bale Count (at coverage inception)

PLAN INFORMATION

Deductible	\$ 500
PowerGard Protection Fee	\$
Delivery Date	____/____/____

COVERAGE SELECTED AND TERM

(Only the coverage indicated by “X” below applies to the Covered Equipment)

Plan A - PowerGard Protection Plan for Large Square Balers Within the John Deere Basic Warranty

Coverage

Terms

36 total months / 10,000 total bales
36 total months / 12,500 total bales
36 total months / 15,000 total bales
36 total months / 17,500 total bales
36 total months / 20,000 total bales
36 total months / 22,500 total bales
36 total months / 25,000 total bales
36 total months / 27,500 total bales
36 total months / 30,000 total bales

48 total months / 15,000 total bales
48 total months / 17,500 total bales
48 total months / 20,000 total bales
48 total months / 22,500 total bales
48 total months / 25,000 total bales
48 total months / 27,500 total bales
48 total months / 30,000 total bales
48 total months / 35,000 total bales
48 total months / 40,000 total bales

All Coverage Terms above are in **Total Months / Total Bales** and include the underlying 24 month John Deere Limited Basic Warranty terms.

Coverage will begin upon expiration of the John Deere Basic Warranty and ends the earlier of the **total months** (from the Basic Warranty Start Date above) or **total bales (on the bale meter)** for the coverage option selected and indicated above, have been reached. **This has no effect on the John Deere Basic Warranty.**

Customer Signature

Date

Authorized Signature

Date

Use of Information/Privacy Consent: Personal information obtained in connection with the *PowerGard* Protection Plan is being collected, used and disclosed in accordance with the privacy policy of John Deere. Such personal information will be used for the purpose of fulfilling the terms of the *PowerGard* Protection Plan, and may be used to provide Purchaser with additional marketing and promotional information about John Deere and its products and services, where permitted by law. For information about John Deere's privacy policy visit John Deere's web site at www.johndeere.com

POWERGARD PROTECTION PLAN – Large Square Balers – LIMITED (powertrain)

- A. COVERAGE:** Subject to the terms and conditions of the *PowerGard* Protection Plan, we will repair or replace, at our option, **Covered Components (as defined below)** of Covered Equipment described in the **Schedule of Coverage** that are defective in material or workmanship. For the *PowerGard* Protection Plan to apply, the repair or replacement of covered components must be performed by an authorized John Deere dealer using genuine John Deere parts. Such repair or replacement will be made without charge to you except as described in paragraph **H. DEDUCTIBLE**.

The *PowerGard* Protection Plan is only available through authorized John Deere dealers. The *PowerGard* Protection Plan is not effective unless and until **(1)** the information on this form is electronically submitted to us by a John Deere dealer; **(2)** the fee for the coverage has been paid; and **(3)** the coverage purchaser receives written confirmation from John Deere.

- B. COVERED COMPONENTS:** The *PowerGard* Protection Plan only applies to covered components of the Covered Equipment. Covered Components will include either factory installed or genuine John Deere replacements listed below as well as related components that perform a similar function:

- 1. Powertrain Components** include the drivelines and gearboxes: Primary PTO, Secondary PTO, Main Gearbox (right angle, T gear box), Packer Gearbox, Lower Knotter Gearbox, Knotter Driveshaft, Upper Knotter Gearbox. Also covers the pedestal shaft (between primary and secondary PTO shafts), the main gearbox CAM clutch and the rotor drive clutch
- 2. Miscellaneous Covered Components** include the controller and front main frame.

C. COVERAGE LIMITATIONS:

- 1.** The following are not included in and not covered by the *PowerGard* Protection Plan unless required to be covered by law: **(a)** Overtime labor charged in excess of the dealer's normal labor rate; **(b)** Charges for service calls or for transportation or storage of the covered equipment; **(c)** Depreciation, damage or failure caused by normal wear, lack of reasonable and proper maintenance, failure to follow operating instructions, misuse, or lack of proper protection during storage; **(d)** Loss or damage due to theft, vandalism or riot, the elements, fire, explosion, chemicals or salt, or collision or other accidents; **(e)** Normal maintenance and replacement of maintenance items, wear items, or consumables; and **(f)** Any defect in a non-covered component or damage to or failure of a Covered Component caused by a defect in a non-covered component.
- 2.** The following are not included in and are not covered by the *PowerGard* Protection Plan: **(a)** Failures covered under any other warranty, product improvement program or product recall, other service agreement, or insurance; **(b)** Failures occurring while the Covered Equipment is being used for any illegal purpose; **(c)** Costs incurred for discretionary retrofitting of current design components on older Covered Equipment or reconditioning of the Covered Equipment or its components; **(d)** Expenses associated with any repair required or provided for by any regulation or order of a court or regulatory agency, or by consent decree or settlement; **(e)** Damage to other property or injury to any person; **(f)** Any indirect or consequential damage or injuries, including but not limited to loss of crops or profits, rental charges for substitute equipment, or other loss of income; **(g)** Failure of the Covered Equipment to meet any federal, state, provincial, or local emission requirements unless this failure is the result of the failure of a Covered Component; and **(h)** The cost of cleanup or damages for any liability resulting from the escape, release, or discharge of any pollutants or waste.

- D. WHEN COVERAGE APPLIES:** The *PowerGard* Protection Plan will apply during the Coverage Term indicated in the **Schedule of Coverage** for the coverage selected unless one of the events described in paragraph **F.** below occurs, in which case, plan coverage will terminate immediately.

POWERGARD PROTECTION PLAN – Large Square Balers – LIMITED (powertrain) – Cont'd

- F. TERMINATION OF COVERAGE:** The *PowerGard* Protection Plan will terminate immediately when any of the following occur: **(1)** The time or total bale coverage option indicated in the **Schedule of Coverage** has expired; **(2)** The Covered Equipment's bale count meter stops working or has been tampered with, or otherwise rendered inaccurate or inoperative (we may waive this provision, in writing, upon repair or replacement of the bale count meter if actual bales can be verified); **(3)** The Covered Equipment is sold, traded or donated or title to Covered Equipment is otherwise transferred by Purchaser (unless Purchaser opts to assign the *PowerGard* Protection Plan pursuant to Paragraph J. below); **(4)** The Covered Equipment is modified or altered in ways not approved by us or not in accordance or compliance with John Deere factory specifications; **(5)** Service or repair, other than normal maintenance and/or replacement of service items, is performed by someone other than an authorized John Deere dealer; **(6)** The Covered Equipment is moved to a location outside the United States or Canada, or **(7)** the John Deere Basic Warranty is terminated or voided prior to the original expiration date for any reason.
- G. MAXIMUM RECOVERY:** Our cumulative liability for all paid claims over the Coverage Term for repairs or replacement of Covered Components **shall not exceed the manufacturer's suggested list price** of the Covered Equipment excluding any transportation charges, license fees, taxes, the cost of the *PowerGard* Protection Plan, the cost of options not covered by the *PowerGard* Protection Plan, and insurance premiums.
- H. DEDUCTIBLE:** For each covered repair event under the *PowerGard* Protection Plan, you must first pay the Deductible (as indicated in the **Schedule of Coverage**) for the parts and labor charges for that repair. Once the Deductible has been paid for a covered repair event, subsequent work, performed under the *PowerGard* Protection Plan, required due to failure of the original repair, will not be subject to additional deductibles. A covered repair event will include all covered parts and labor charges included under a single work order.
- I. MAINTENANCE OF COVERED EQUIPMENT AND RECORDS:** You must properly maintain the Covered Equipment and, at your expense, perform scheduled maintenance in accordance with the Operators Manual for the Covered Equipment. You must maintain records of all scheduled maintenance, repair, or service work completed and must present these records to us, upon our request, to verify compliance with this condition.
- J. ASSIGNMENT:** The *PowerGard* Protection Plan will apply only to the Covered Equipment described in the **Schedule of Coverage** of the *PowerGard* Protection Plan. If you sell the Covered Equipment to a new owner, any remaining coverage under the *PowerGard* Protection Plan may apply to the subsequent purchaser. If you wish to transfer the *PowerGard* Protection Plan with the Covered Equipment, you must request an authorized John Deere Dealer to forward a Second Owner Delivery Receipt to us to document such a transfer.
- K. COSTS:** The cost of the *PowerGard* Protection Plan is fully earned at the time of purchase, and refunds will not be made for any reason. If you sell Covered Equipment prior to the expiration of the *PowerGard* Protection Plan, any remaining coverage, you will be deemed to waive any rights to remaining coverage and subject to Paragraph J. above, may be transferred to the new owner.
- L. CHANGES:** The *PowerGard* Protection Plan contains all of your rights and responsibilities for coverage to apply. **NO JOHN DEERE DEALER OR ANY OTHER PERSON MAY AMEND OR CHANGE THE TERMS, CONDITIONS, OR LIMITATIONS OF THIS POWERGARD PROTECTION PLAN IN ANY WAY.**

POWERGARD PLANS AVAILABLE

PROTECTION PLAN A

The *PowerGard* Protection Plan A is available for new John Deere LSBs when still inside their first year of the full machine basic warranty.

Plan A – For LSBs that are still covered under the first year of John Deere Basic Warranty, PowerGard Protection can be purchased in:

“Grace Period”: *PowerGard* Protection Plan can be purchased any time throughout the “Grace Period” (within the first 95 days first year John Deere basic warranty) for the lowest price possible, or

“Delayed Purchase Period”: After the “Grace Period” but before the end of the 1st year full machine John Deere Basic Warranty, PowerGard can also be quoted and sold (and registered). A **40%** surcharge is applied to all Delayed Purchase Period pricing under Plan A.

PLAN A TIME/Bale OPTIONS AVAILABLE

Coverage Terms below include the underlying John Deere Basic Warranty

Coverage Terms

- | | |
|---|---|
| <input type="checkbox"/> 36 total months / 10,000 total bales | <input type="checkbox"/> 48 total months / 15,000 total bales |
| <input type="checkbox"/> 36 total months / 12,500 total bales | <input type="checkbox"/> 48 total months / 17,500 total bales |
| <input type="checkbox"/> 36 total months / 15,000 total bales | <input type="checkbox"/> 48 total months / 20,000 total bales |
| <input type="checkbox"/> 36 total months / 17,500 total bales | <input type="checkbox"/> 48 total months / 22,500 total bales |
| <input type="checkbox"/> 36 total months / 20,000 total bales | <input type="checkbox"/> 48 total months / 25,000 total bales |
| <input type="checkbox"/> 36 total months / 22,500 total bales | <input type="checkbox"/> 48 total months / 27,500 total bales |
| <input type="checkbox"/> 36 total months / 25,000 total bales | <input type="checkbox"/> 48 total months / 30,000 total bales |
| <input type="checkbox"/> 36 total months / 27,500 total bales | <input type="checkbox"/> 48 total months / 35,000 total bales |
| <input type="checkbox"/> 36 total months / 30,000 total bales | <input type="checkbox"/> 48 total months / 40,000 total bales |

QUOTING A PRICE FOR *POWERGARD*

PowerGard CALCULATOR

This is a quick and easy way to quote the *PowerGard* Protection Plan without having to first process a delivery receipt. Our web site is linked from DealerPath (under the **SALES** or **SERVICE** areas), the *PowerGard* Protection web site under the Extended Warranty area. Our direct web site URL is:

<https://ew.deere.com/extwnty/angularJs/index.html?&env=p&teamsiteHostURL=https%3A%2F%2Fewdocs.deere.com%2Fextwnty&appContext=%2Fextwnty#/agtcHome>

Remember: A delivery receipt must be processed first, in order for *PowerGard* Protection contracts to be REGISTERED successfully with Deere & Company via the Contract Purchase application, once they are sold!

PRICING PAGES

From any *PowerGard* Protection Plan Calculator, you have the ability to Print off "Pricing Pages" that provide the time/bale plan term options and will provide the current Dealer Base Cost (MDP) as well as the Protection Fee (List Price) of the *PowerGard* Protection Plans. Just click on the "*Generate Price Sheet*" from the upper righthand corner of the web page within the *PowerGard* Calculator tool.

Note: When you are quoting *PowerGard* do not forget that a 40% surcharge applies to purchases transacted during the "Delayed Purchase Period."

◎ SALES TIPS:

Remember to offer *PowerGard* before you finalize your deal. It is easier and more economical to include *PowerGard* costs in the payments up front.

Present the cost of *PowerGard* as either dollars per bale of coverage, or dollars per month/per year.

If customer rejects *PowerGard*, request customer to initial the "rejection box" on the John Deere Purchase Order and/or the Decline box on the *PowerGard* Protection Proposal Document (which can also be generated right from the *PowerGard* Calculator tools).

COST DETERMINATION OF POWERGARD PROTECTION

The cost of the product varies based on the following risk/coverage characteristics:

1. Equipment Type/Model *PowerGard* EW Rating Group
2. Total Months / Total Bales of Coverage selected / purchased
3. Time left on basic warranty (to determine whether it is in the Grace Period or Delayed Purchase Period) for applicable surcharge applications.
4. Dealer Mark-Up: We suggest a 25% mark-up from the dealer based cost.

PROCESSING A *POWERGARD* CONTRACT

All *PowerGard* Protection Plan contracts must be entered in the PowerGard Protection “Contract Purchase” application when they are sold in order to be valid. Verbal quotes and handwritten schedules of coverage will not be honored unless entered within the PowerGard program parameters.

Note: Any contract, which is not registered in the PowerGard contract purchase application, will be the selling dealer’s responsibility.

To purchase a *PowerGard* Protection Plan contract, go to the SALES or SERVICE section of DealerPath under either the “Pricing” or “Warranty Management” areas to find the link to the Extended Warranty home page. From there, you can find the **PowerGard Protection Commercial link**. Then, perform the following steps:

- Select the “**Purchase Contract**” link on the PowerGard Protection Home Page (upper righthand corner)
- Enter the PIN number of the eligible machine
- Answer basic questions on customer, dealership number hour-meter reading, contract purchase date, etc.

Coverage Type – will default to Limited/Powertrain for LSBs

- Select the eligible total month / total bale option simply purchase online.
- **The screen will display the “Reference Number” (Dealer Base Cost) and the “Protection Fees” (List Prices) for all Total Months / Total Bale plan term options available.**
- The screen will then show a Summary of the detailed information on the customer, dealership, *PowerGard* Protection Plan terms chosen and the dealer base cost (reference number). Check the information on the screen carefully. The question, “Do you wish to purchase this contract?” will appear on the bottom, which will require you to answer by clicking “Next” or “Back” or “Reselect Opt”.
- Once you Select “Next” you will get a message: “Purchase was Successful” and some details. You also have the ability to print off a **Schedule of Coverage** for your or your customer’s records as proof of purchase. The PowerGard Protection Contract Terms and Certificate Cards are mailed to all customers (from Deere & Company) within 30 days of dealer contract registration entry.

PowerGard Protection Plan – Certificate Card Example

[Front of Card]



PowerGard Protection Plan Certificate

Machine Data		Protection Plan Information				
Model	PIN	Delivery Date	Deductible	End Date	End Hours	Protection Plan Purchased

The John Deere PowerGard Protection Plan is an extended warranty on select covered components providing reimbursement for parts and labor (less any applicable deductible) for failures or breakdowns that occur beyond the John Deere Basic Warranty on John Deere equipment.

Selling Dealer Name and Phone Number:

Customer Information:

Important Notices:

- All deductibles are applied per covered work order.
- [For Tractors Only]
- JD Value Lease ____ Yes ____ No
 - Commercial Scraper Applications ____ Yes ____ No

See the reverse side of this certificate for more details, and reference the actual PowerGard Protection contract for all terms, conditions and limitations.

[Back of Card]



IMPORTANT NOTICE TO PURCHASER

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Throughout the *PowerGard* Protection Plan, the terms “you” and “your” refer to the purchaser of the *PowerGard* Protection Plan. The terms “we,” “us,” and “our” refer to John Deere*. (* With respect to purchasers in Canada, John Deere means John Deere Limited, 295 Hunter Road, P.O. Box 1000, Grimsby, Ontario, L3M 4H5. With respect to purchasers in the United States, except for the specific states identified below**, John Deere means John Deere Warranty Inc, One John Deere Place, Moline, Illinois, 61265-8098.)

Read the *PowerGard* Protection Plan carefully. Your rights and remedies under the *PowerGard* Protection Plan are limited as indicated below. The coverage term selected below may be terminated prior to expiration under the provisions of Paragraph F. of the *PowerGard* Protection Plan. Where permitted by law, JOHN DEERE products carry no implied warranty of merchantability or fitness. The *PowerGard* Protection Plan is not insurance.

** For purchasers in GA and NY John Deere means Deere & Company, One John Deere Place, Moline, Illinois, 61265-8098.

This PowerGard Certificate Card serves as your proof of protection for the equipment scheduled on the reverse side. All coverage, terms, and conditions applicable to the covered equipment and components are determined by the actual PowerGard Protection Plan agreement. All repair work covered by the PowerGard Protection Plan must be performed by an authorized John Deere dealership in order for proper coverage determination and reimbursement under this protection plan. PowerGard Protection is transferable to all subsequent owners. All questions and inquiries should be directed to an authorized John Deere dealership, or call toll free 1-866-993-3337.

Processing PowerGard Extended Warranty on LSBs

Is the LSB eligible?

- Is it a Deere large square baler and is it an eligible model?
- Is it within time requirements for purchasing extended warranty (still within 1st year of basic warranty)?

Identify available plan term options to fit customer needs

- How long is customer going to keep the LSB in total months/years?
- How many bales per year will they operate the unit?
- Pick the total months / total bales that fit their needs, and generate a PG quote

Quote a price using PowerGard on-line Calculators via DealerPath

Customer Desires Coverage?

- Make sure delivery receipt is already processed to start basic warranty first!

Close the Sale

Receive payment for *PowerGard* from Customer

- Cash
- Financing through JDF (or other financial institution)
- Farm Plan or Ag Line

Enter the applicable PowerGard Protection Plan Contract (once sold to customer)

- Located on the PPP web site on DealerPath
- Enter valid PIN into the Purchase Contract application
- Dealership is billed the Dealer Net Price (MDP-Reference Number) at month-end
- Submit required information
- Print *PowerGard* "Schedule of Coverage" and attach to the *PowerGard* LSB Limited (Powertrain) contract terms and give to the customer as 'proof of purchase'

Customer receives Certificate Card in mail approximately 30 days from date of purchase, verifying coverage from Deere & Company. Your dealership will receive a debit for the PowerGard contract (MDP \$) on your next month-end statement.

FEATURES AND BENEFITS TO YOUR CUSTOMERS

The following features and benefits of the *PowerGard* Protection Plan should be explained to your customers when they purchase a new Large Square Baler:

- **Guaranteed Cost of Ownership** - With the one-time, up-front *PowerGard* Protection fee, the customer's powertrain repair costs on covered items are now budgeted, and their investment is protected. This protection fee is even more manageable when financed over a period of time, as compared to the possible powertrain repair bills for catastrophic breakdown losses.
- **Flexible Coverage Terms to Fit Customer's Needs** - The *PowerGard* Protection Plan offers many total month and total bale options to meet the needs of all your customers, whether they produce lower or higher bale counts per year.
- **Continual Warranty Protection on the Powertrain** - The *PowerGard* Protection Plan is designed by Deere for Deere LSBs and extends basic warranty protection to the defined powertrain components. This assures the customer that continual warranty protection can be purchased without coverage gaps or special exclusions.
- **No Pre-Approval on Repairs / No Up-Front Customer Repair Costs** - Customers do not incur up-front repair costs on covered items since repair costs (less the deductible) are paid directly to the dealership through the program. The customer does not have to pay for repairs and wait for reimbursement. Dealers are reimbursed full list on Parts, their registered labor rate (same as warranty) for labor, and also reasonable diagnostic time.
- **Transferable Coverage – With No Transfer Fees** - When an LSB is covered by *PowerGard* is sold/traded, any remaining time or hours under the *PowerGard* Protection is transferable to the next purchaser. This adds value at resale or trade-in time.
- **Pays for Parts and Labor** - The *PowerGard* Protection Plan provides parts and labor repair coverage for warrantable failures, which minimizes the customer's total out-of-pocket expenses.
- **Nationwide Network of John Deere Dealers for Service Work** - With the number of authorized Deere dealerships nationwide, it is easy to find a dealer who can perform covered repairs under the *PowerGard* Protection Plan. Any John Deere A&T dealer can do covered repairs under the *PowerGard* Protection Plan.
- **Ability to Finance Protection Fees** - The *PowerGard* Protection fee can be financed in various ways, including cash sales, John Deere Financial's financing programs, Farm Plan, Ag Plan or other financing methods.

FEATURES AND BENEFITS TO YOUR DEALERSHIP

The following features benefit you and your dealership when selling the *PowerGard* Protection Plan:

- **Aftermarket Profit Opportunity** - A profit margin can be made on the sale of each *PowerGard* contract. All *PowerGard* Protection contracts are marked up a recommended 25% on all computer systems and Internet calculators. This mark-up is also reflected in the Protection Fee prices (list) in your pricing pages.
- **Remain Competitive** – *PowerGard* allows you to provide extended main powertrain component coverage on John Deere Large Square Balers that is above and beyond programs offered by competitors on independent programs for new or used equipment.
- **Increase Service Revenues / Tie Customer to Dealership** – Since *PowerGard* requires that repairs and repair reimbursement be completed through authorized Deere dealers, this results in increased service and repair business to your dealership. *PowerGard* contracts help keep your customers out of independent repair shops.
- **Move More Genuine JD Parts** – All *PowerGard* Protection Plan contracts require that repairs and replacement use only Genuine John Deere Parts by authorized John Deere Dealers. All covered parts are reimbursed back to the dealer at full List prices, providing your dealership margin on parts as well.
- **Higher Overall Profit Margin on LSBs when sold with PowerGard Protection** - Adding *PowerGard* Protection for the customer's equipment allows you to get higher margins overall on all units sold with *PowerGard* contracts.

SALES TIPS

- 1. OFFER POWERGARD UP FRONT.** *PowerGard* should always be **presented before the total deal is finalized**. Your chances of selling *PowerGard* are much greater at the time of the LSB sale as compared to after the sale during the “Grace Period,” than in the “Delayed Purchase Period,” which requires a surcharge.
- 2. INCLUDE POWERGARD COSTS IN CUSTOMER’S PAYMENTS.** Whenever possible, the final price should be quoted including *PowerGard* costs. It is more difficult to sell additional products or protection after the customer has agreed to certain payments or total cost of the tractor.
- 3. REDUCE POWERGARD COSTS TO THE LOWEST DENOMINATOR.** When presenting the cost of the Protection Plan, break down the cost to a measure the customer can best relate. For example, if the cost of *PowerGard* on an LSB is \$7,400 for 4 total years/ 20,000 total bales of PG coverage. Inform the customer that their cost is only 37¢ per bale of operation for the protection out to the 20,000 bale count mark.
- 4. SELL THE PROTECTION AS VALUE-ADDED.** Always build value first. Describe and present the *PowerGard* Protection Plan before you talk about the cost. Do not sell *PowerGard* by talking about how much the unit you are selling may need the protection. Tell the customer that John Deere and your dealership are able to offer their customers the option of additional warranty protection that fits their unique needs. Deere and their authorized dealers can better take care of their customer’s equipment should they experience an unexpected failure or breakdown in the future.
- 5. USE VISUAL AIDS IN YOUR SALES PROCESS.** Since *PowerGard* protection is an intangible product it is important to use marketing and promotional items during the sales process to increase customer awareness. Failure to use visual aids can reduce sales by as much as 50%. Use items such as the *PowerGard Proposal Document* (off the PG calculators).
- 6. ALWAYS ASK FOR THE ORDER.** Many Deere dealers are currently marketing similar products successfully by including an extended warranty quote on every equipment sale and always asking for the business. Some dealers are able to include extended warranty products in the sale of equipment on as much as 75% of all sales using this method. Customers will not buy products that are not offered.
- 7. UTILIZE THE POWERGARD PROTECTION PLAN REJECTION FORM.** If a customer declines to purchase *PowerGard* Protection, use the *PowerGard* Protection Plan Rejection Form. Or, have them mark the “Decline” box and provide their signature on the *PowerGard* Proposal Document. This assures your dealership that you will not absorb repair costs on LSBs that were not sold with *PowerGard* Protection. With a signed rejection form, you will have documentation that coverage was not purchased, and can help in reducing Special Allowance payments. (See the following page. Use it to make copies.)
- 9. PAID BY POWERGARD “STAMP.”** When customers who have purchased *PowerGard* bring their unit in for repair on a covered part, show them the value of having purchased *PowerGard*. Fill out a repair order showing the work that was completed and associate the price with each repair. Then, write, **“PAID by PowerGard Protection Plan”** on the repair order so they can SEE that their *PowerGard* purchase was a good decision. This helps reinforce the value of the *PowerGard* Protection Plan. You could also use these “Stamped” repair orders to show future customers the value of *PowerGard*.

***POWERGARD* PROTECTION PLAN CUSTOMER REJECTION FORM**

Customer Name: _____

Customer Address: _____

Equipment Make/Model: _____ Pin# _____

Date of Equipment Purchase: ____/____/____ Date *PowerGard* Rejected: ____/____/____

I have been offered the coverage options available on the equipment listed above provided through the ***PowerGard* Protection Plan**. I understand the general terms and conditions of the engine and powertrain additional protection offered in the ***PowerGard* Protection Plan**, and have chosen not to purchase any extension options beyond the protection provided by the John Deere basic warranty.

With my signature below, I waive any possible rights or claims on warranty related repairs or items once my equipment (listed above) is beyond the original warranty protection in the John Deere basic warranty.

Customer Signature

Dealership Representative Signature

CLAIMS PROCESSING

ADVANTAGES OF *POWERGARD* PROTECTION PLAN:

No pre-approval process.

Experienced Deere claims adjusters, who know the equipment, process all PowerGard claims.

Provides extensive parts and labor coverage, minimizing customer's expenses.

PROCESSING REQUIREMENTS:

For PowerGard Protection claim submissions, a "covered repair event" includes all covered parts and labor charges included under a single work order.

Any authorized Deere A&T dealer can perform the repairs and submit claims under the *PowerGard* Protection Plan. All repairs should be segmented under PowerGard Protection claim submissions, just as basic warranty claims require.

REIMBURSEMENT PROVISIONS:

Dealers will be credited for **parts** costs at John Deere's **list price**. **Labor** will be reimbursed at their **retail labor rate** times the reasonable number of hours established for the repair. Flat Rate/Service Pricing Guide times and prior claims statistics will be utilized to determine reasonable time frames for labor. For reasonable diagnostic time reimbursement, all PG contracts will allow for reimbursement of diagnostic time under PowerGard Protection.

The maximum cumulative reimbursement (for all PowerGard claims over time) on any Covered Equipment shall not exceed 100% of the manufacturer's suggested list price of the unit/equipment. This maximum applies per *PowerGard* contract purchased. See section **G.** of the *PowerGard* Protection Plan contract for details and clarification.

Steps to Process Claims

1. GATHER INFORMATION

Each covered event (unique failure) should be submitted on a separate work order.

2. SUBMIT CLAIMS

All *PowerGard* claims for repairs must be electronically submitted in the JD Warranty System.

Refer to the *PowerGard* Protection Plan contract for complete terms and details of the plan.

- Requests for delay in submitting claims will only be allowed in situations where required repair parts are on backorder (or other similar circumstances).

3. PROCESSING OF CLAIMS

All claims reviewed within 24 hours and most settled within 48 hours.

4. DEDUCTIBLE APPLIED

Deductible will be applied “per covered event” in the contract. The covered parts and labor under PowerGard will have the deductible applied **per work order** as outlined in the actual PowerGard Protection Plan contract. The deductibles should be paid by the LSB owner on all covered events/work orders.

Deductible:

- \$500 deductible per work order – for Deere Large Square Balers

5. FINAL ADJUSTMENTS MADE

Once the claim is approved, the credit issued to the dealer electronically will be the approved amount less the applicable deductible per covered event.

It is the customer’s responsibility to provide timely notification of needed repairs and have their tractor available for repair when such need is known in advance of the protection plan termination.

If any outside labor and/or materials are used in the completion of a qualified repair, a description of the charges, such as work performed, supplier, and cost incurred must be typed in the Other Credit field of the claim. Reimbursement for outside labor and materials will be at the actual cost figures.

(You only need to fax this form to the PowerGard Dept. once as it coverage any/all PG programs.)

POWERGARD PROTECTION PLAN DEALER ACKNOWLEDGEMENT

Marketing Unit # _____ Dealer # _____
(If more than one, list below)

I, _____ of _____
(Authorized dealer or representative) (Dealership name)
have read the instructions, overviews, terms and conditions of both the *PowerGard* Protection Plan contract and the *PowerGard* Protection Plan Administration Manual, and fully understand the dealership duties and responsibilities of this program. I also understand that should my dealership participate in this program and fail to abide by the rules and guidelines pertaining to the *PowerGard* Protection Plan as set forth in this and any other administrative manual, this program can be terminated and made unavailable to my dealership (including those listed below), by Deere & Company.

Signature: _____ **Date:** _____

_____ # _____
(Dealership name and dealership number)

_____ # _____
(Dealership name and dealership number)

_____ # _____
(Dealership name and dealership number)

_____ # _____
(Dealership name and dealership number)

_____ # _____
(Dealership name and dealership number)

_____ # _____
(Dealership name and dealership number)