

Mercury Marine Limited

8698 Escarpment Way • Milton, Ontario L9T 0M1

PLAN BENEFITS & PROVISIONS

DEFINITIONS:

The following are key words and phrases included in this Contract:

You, your, owner - Refers to you, the Purchaser.

We, us, our, Provider - Refers to Mercury Marine Limited, 8698 Escarpment Way, Milton, Ontario, Canada L9T 0M1.

Mercury Marine – The manufacturer and provider of the original manufacturer's warranty, PO Box 1939, Fond du Lac, WI 54936-1939 USA.

The Contract - Means this Mercury Product Protection Contract and the terms and conditions contained herein. This is not a Marine Hazard insurance policy or an extension of the standard Product warranty, implied or otherwise.

Product - Refers to the Mercury or Mariner Outboard; Jet Drive Power Package; MerCruiser Engine or MerCruiser Engine and Sterndrive Package, Inboard Engine, MotorGuide Trolling Motor and/or parts and accessories marketed by Mercury Marine, as further described on the face of this Contract. All Mercury Precision Parts or Quicksilver engine related accessory products supplied by us (except propellers) required to operate the engine and purchased at the time of sale of the eligible Product, and attached to and used with the eligible Product, shall also be covered by this Contract at no additional cost, but only for the duration of this Contract. Note: If the Product(s) covered by this Contract are purchased to repower a vessel, the Product(s) are not covered for damage that has been caused by or results from the failure of other parts, components, or systems which are not described on the face of this Contract, unless such parts, components, or systems are otherwise covered by a Mercury warranty or Product Protection Contract at the time of the Breakdown.

Covered Parts - Those parts, components, or systems designated in the section of this Contract entitled ENGINE, DRIVE & TROLLING MOTOR COVERAGE as eligible for replacement or repair pursuant to the terms of this Contract.

Dealer - Participating Mercury Marine/MotorGuide dealer authorized to service your Product.

Breakdown - A mechanical or electrical malfunction in Covered Parts of the eligible Product resulting from a defect in material or workmanship from a non-excluded application of Products supplied by us. Mechanical or electrical Breakdown does not include a reduction in performance due to normal wear and tear, or damage to Product due to the failure of non-covered Product, parts, components, or systems.

Limit of Liability - The Manufacturer's suggested Retail Price of the Product, less accessories at the time of retail sale.

Consumables - Fluids, lubricants, or components that are intended to be replenished as they are consumed, or inspected and/or replaced at specified maintenance intervals at owner's expense.

IMPORTANT INFORMATION:

THE CONTRACT: This Contract will only become effective upon receipt by us of the Contract with appropriate fee and our acceptance thereof. This Contract is between you and Mercury Marine Limited. NOTE: Until this Contract has been received, paid for, and accepted by Mercury Marine Limited, all eligible Product Breakdown claims and costs under the Contract provisions are the responsibility of the dealer selling the Contract. Completed Contracts should be submitted on MercNET or mailed immediately.

PURCHASE PERIOD: Contracts have to be purchased within the standard factory warranty period. Contracts purchased after the first year of the factory warranty are subject to a surcharge. MotorGuide coverage must be purchased within the first twelve (12) months. Second owners are also eligible to purchase the Plan.

WHO CAN APPLY FOR COVERAGE: Owners, including subsequent owners, of an eligible Product according to the terms of the Purchase Period.

ELIGIBLE PRODUCTS: Product which is new (not more than 10 hours of use and previously unregistered) and selected MotorGuide product which is new, never used, and previously unregistered (serial number beginning with 9B or 9CXXXXXX). In addition, Product which has been manufactured in the current calendar year and four immediately preceding years (January 1st constitutes program change) and have less than 500 accumulated engine operation hours (screen shot from CDS may be required to verify the engine hours), and selected Mercury Outboard Racing models. Contact an Authorized Mercury Outboard Racing or MotorGuide Servicing Dealer for a list of the eligible Products. Coverage must be purchased on all engines in multiple applications.

EXCEPTIONS: The following Products manufactured by us are not eligible for Contract coverage:

1. Products that come with a Mercury Marine limited warranty of less than one (1) year and Certified Pre-Owned engines. Exceptions: Promotional Engines with more than one year original factory warranty.
2. Mercury Outboard Racing Products, regardless of length of warranty period, with the exception of selected models and MerCruiser Racing products. Contact an Authorized Mercury Outboard Racing Dealer for a list of the eligible Mercury Outboard racing models.
3. MotorGuide Trolling Motors, regardless of length of warranty period, with the exception of selected models (serial number beginning with 9B or 9CXXXXXX). MotorGuide parts and accessories marketed by MotorGuide or Mercury Marine, regardless of the length



of warranty. Contact an Authorized MotorGuide Servicing Dealer for a list of the eligible MotorGuide models.

4. Products used by local, state, or federal government or by any not-for-profit organization.
5. Any application using three or more engines as the main power source in the same craft, unless the boat is specifically designed for three engines and is not used for excluded applications and uses listed under the CONTRACT EXCLUSIONS section of this Contract.
6. Four-cycle long blocks/power heads, two-cycle powerheads, transmissions, jet pumps or sterndrive assemblies that are purchased separately and not as a part of a complete engine or package. Exception: New complete MerCruiser engines used to repower a vessel.

COVERAGE PERIOD: The Contract coverage begins on the expiration date of the applicable Mercury Marine or MotorGuide limited warranty and expires on that date at the end of the term of this Contract as purchased. Seven (7) year total limit for standard limited warranty and Contract period combined on Mercury Outboards and MerCruiser engines. Five (5) year maximum limit for standard limited warranty and Contract period combined for MotorGuide Trolling Motors.

YOUR OBLIGATION: As a condition of coverage under this Contract, you agree to (1) follow the maintenance recommendations and schedules as stated in the Product Operation and Maintenance Manual; (2) supply proof of such maintenance as requested; (3) if a failure occurs, it is your duty to protect against further damage; (4) provide reasonable access to the Product for covered service work; (5) notify Mercury Product Protection of modifications to the Product or in the type of usage.

DEALER OBLIGATION: The dealer is not an employee or an agent of ours and has no authority to bind us. Dealer agrees to: (1) submit the Contract via MercNET or if the dealer is on COD terms, forward the completed Contract and payment to Mercury Marine; (2) Service Products covered under this Contract; (3) use only Mercury Precision Parts or Quicksilver Parts & Accessories in repairing the Product; (4) notify Mercury Product Protection of modifications to the Product or in the type of usage.

MERCURY MARINE LIMITED'S OBLIGATION: Mercury Marine Limited's obligation under this Contract commences when an eligible Contract and proper payment therefore is received and accepted by Mercury Marine Limited. Under the Contract, we agree to repair or replace, at our option, such Covered part or parts with new or remanufactured parts or assemblies of the eligible Product and labour as shall be necessary to remedy a mechanical or electrical breakdown caused by a defect in material or workmanship on the part of Mercury Marine or MotorGuide.

COMPONENT COVERAGE: This Contract covers only those components of eligible product set forth herein under ENGINE, DRIVE & TROLLING MOTOR COVERAGE. If the component is not listed as a Covered Part, or is listed under Contract Exclusions, it is not covered.

OBTAINING SERVICE: Claims shall be made under this Contract by delivering the Mercury or Mariner Outboard; Jet Drive Power Package; MerCruiser Engine or MerCruiser Engine and Sterndrive Package, or Inboard Engine to an Authorized Mercury Marine Dealer or delivering MotorGuide Trolling Motors to an Authorized MotorGuide Servicing Dealer. You are obligated to pay for all related transportation charges, shipping charges (MotorGuide), and travel time to and from the service facility and for service and/or parts not covered by this Contract.

NOTE: ALL CLAIMS ARE SUBJECT TO INSPECTION AND APPROVAL BY MERCURY MARINE LIMITED OR AN INDEPENDENT TECHNICIAN DESIGNATED BY MERCURY MARINE LIMITED PRIOR TO THE REPAIR! PLEASE CONTACT YOUR AUTHORIZED MERCURY DEALER IN THE EVENT OF A CLAIM.

CONTRACT CANCELLATION:

(A) By you: Once purchased, the Contract cannot be cancelled by you except during the first thirty (30) business days after purchase in which case we will refund the Contract purchase price less a \$30 administration fee.

(B) If the Contract is cancelled by us due to non-conformance with eligibility guidelines, refund of the Contract purchase price shall be based upon 100 percent of the unearned pro-rata Contract purchase price less any claims that have been paid and less a \$30.00 administration fee. You specifically agree that any and all refunds will be paid jointly to you and the lienholder if we have knowledge of such and there remains a balance due and owing to the lienholder.

ENGINE, DRIVE & TROLLING MOTOR COVERAGE

Engine: Cylinder block and internally lubricated parts contained within the cylinder block, to include: Engine head(s); rocker covers; timing gear cover; crankshaft; main bearings; and connecting rods; rod bearings; pistons; piston rings and wrist pins; camshaft and bearings; rocker arms; valves; valve springs; guides and seats; supercharger; valve push rods; lifters; flywheel and ring gear; harmonic balancer; reed valve, reed blocks, timing chain or belt; timing gears; distributor housing, shaft and gear; oil pump; oil pan; intake and exhaust manifolds; and circulatory water pump.

Transmission, Gear Cases, and Drive Shaft Housings: Internally lubricated parts contained within the transmission or gear case; the case, if damaged beyond use as a result of a Covered Part breakdown; universal joint yokes; socket, cross and bearings; internally lubricated parts contained within the drive shaft housing, if damaged as a result of a Covered Part breakdown.

Steering: Power steering cylinders and pumps; Mercury Precision Parts, Quicksilver, or Mercury supplied cables, steering control helm, rack, and yoke.

Transom Assembly: Inner transom plate; Gimbal bearings; Gimbal housing, Gimbal ring, bell housing, if damaged as a result of a breakdown of a Covered Part.

Electrical and Ignition: Wire harness; starter; solenoid; circuit breaker; alternator; voltage regulator; Mercury Precision Parts or Quicksilver instruments; switches; ignition coils; stators; triggers; switch boxes; ECU box; temperature and pressure sensors, warning horns and signals; EFI electrical components.

Trim System: Trim pump; trim motor; cylinders; solenoid; limit switch; wiring harness; trim position senders.

Fuel System: Carburetor body; fuel delivery pump; compressor, fuel cooler, fuel injection pump; flame arrester, fuel injectors, and manifold body.

Mercury Precision Parts or Quicksilver Accessories: All Mercury Precision Parts or Quicksilver engine related accessories, except propellers, required to operate the engine and purchased at the time of sale of the eligible Product, and attached to and used with the eligible Product but only for the duration of the Contract.

MotorGuide Trolling Motor: Major components, to include: Circuit board(s); steering motor/transmission and components (non-wear items only); pinion or steering gears; shaft; magnets; armature; wiring harness; mount; foot pedal.

COVERAGE BENEFITS:

HOIST/HAUL OUT: We will pay up to \$200.00 per claim occurrence for Hoist/Haul Out charges necessary to perform approved repairs to covered Product on non-trailerable boats (26 feet in length or larger). Claims for this coverage must be substantiated by submission of an original paid bill documenting the hoist or haul out charge. Excludes MotorGuide.

ON WATER TOW-IN: We will pay up to \$200.00 per claim occurrence toward the cost of on-water towing charges necessary to perform approved repairs to covered Product. Claims for this coverage must be substantiated by submission of an original paid bill documenting the tow-in charge. Excludes MotorGuide.

LIMIT OF LIABILITY: The total claims paid out over the life of this Contract shall not exceed the Limit of Liability. If the total claims paid out by us reach the Limit of Liability, Mercury Marine Limited shall be deemed to have completed all of its obligations under this Contract, the amount paid for this Contract by the purchaser shall have been fully earned by Mercury Marine Limited, and this Contract will be fulfilled and terminated. Purchaser will be personally responsible for payment of any costs of repair exceeding the Limit of Liability.

DEDUCTIBLE: All claims made under this Contract are subject to a \$25 deductible per claim. The deductible shall be paid directly to the Authorized Servicing Dealer. In the event of a repeat Breakdown of the same Covered Part, repair or replacement will be performed under the terms of the Mercury Precision Parts or Quicksilver Parts and Accessory Warranty Policy, and will not be subject to the terms of the Contract Provisions and related deductible.

TRANSFERABILITY: This Contract may be transferred to a subsequent purchaser of the Product within thirty (30) business days after the subsequent purchase of the Product. Engines not purchased directly from another recreational use owner or from an Authorized Mercury or MotorGuide Dealer are ineligible for coverage. Mercury Marine Limited has the right to refuse transfer of Engines/Trolling motors purchased as a repossessed product, or product purchased at an auction, from a salvage yard, from a liquidator, from an insurance company, from unauthorized marine dealers or boat builders, or other third party entities. Mercury Product Protection may request an inspection of the product by an authorized Mercury Servicing Dealer to determine condition and performance prior to transferring any remaining warranty. The customer is responsible for the cost of inspection.

- Contracts not transferred within thirty (30) business days of subsequent purchase will no longer be valid and the Product will no longer be eligible for coverage under the terms of this Contract and the Contract will be cancelled.
- To transfer this Contract to a subsequent purchaser, you must submit to Mercury Product Protection, P.O. Box 1939, Fond du Lac, WI 54936-1939, USA, a receipt/bill of sale, the completed transfer form, and a cheque payable to Mercury Product Protection in the amount of \$52.50 per covered Product.
- Contract coverage is not transferable from one Product to another or for Products used in excluded applications.

CONTRACT EXCLUSIONS:

The following are not covered by this Contract:

GEOGRAPHIC LIMITATIONS: Product use and covered Breakdown that occurs and/or is repaired outside the 50 United States, Canada, and their territorial waters.

PERILS: Damage to Product or Covered Parts caused by acts of God, accidents, theft, fire, vandalism, war, terrorism, riot, explosion, zebra mussels, barnacles, submersion, aquatic growth, or vegetation.

NON-COVERED PARTS: Any part, component, or system not specified as a Covered Part in this Contract; and any part, component, or system manufactured or marketed by anyone other than Mercury Marine or MotorGuide, except in the event of non-covered parts, components, or systems damaged by covered Product or Covered Parts.

INCIDENTAL, CONSEQUENTIAL EXPENSES: Incidental, consequential, or other damages, including, but not limited to, such things as costs or expenses for: mechanic's

travel time (service calls); dockage; trailer rental; telephone; telegraph; fax; freight and postage; state or local sales tax on parts or labour; gasoline; rental of a like product; travel; lodging; loss of or damage to personal property; loss of Product use; loss of time; inconvenience; storage; consequential damages to the watercraft; removal and replacement of boat partitions or materials to gain access for repair; removal and installation charges above Mercury's/MotorGuide's flat rate times due to boat design and/or construction; work performed pursuant to factory recalls or service bulletins; and warranty-related failures. Any costs incurred for diagnosis and disassembly is customer's responsibility unless Breakdown was caused by a Covered Part, as is any premium or overtime labour cost, or parts shipping charges in excess of those which are usual and customary, as determined by Mercury Marine Limited.

EXCLUDED APPLICATIONS: Products used for any commercial, professional, or not-for-profit purpose, used for the generation of revenue in any amount (whether in a casual or formal commercial, professional, or not-for-profit venture), used for any work-related application, or used by local, state, or federal government. Examples of excluded applications include, but are not limited to, competitive driving, racing, and acceleration trials; commercial or professional fishing, commercial shrimping, fishing or tour guides; water taxiing; business-related entertainment; time sharing; water ski or other aquatic shows, not-for-profit camp, or any other work-related boating activity. This Contract does not cover failures or claims caused by any condition which was known to exist prior to purchase of this Contract.

MODIFICATIONS/ALTERATIONS: Products which have been modified or altered from their original production configuration are not eligible for Mercury Product Protection. The addition of or replacement with parts or accessories not approved by us or which are not installed by an Authorized Mercury or MotorGuide dealer will be cause for your Mercury Product Protection to be cancelled.

LACK OF SPECIFIED MAINTENANCE: Breakdown as a result of failing to comply with the specified preventive maintenance intervals and recommendations set forth in the Operation and Maintenance Manual supplied with the Product. Damage or Breakdown as a result of loose fasteners and/or securing hardware such as nuts, bolts, screws, grommets, clips, and straps.

ABUSE AND NEGLECT: Breakdown of a Covered Part that has failed due to abuse, neglect, improper or inadequate installation, maintenance, or repair. Examples of such include, but are not limited to, corrosion; overheating; freeze damage; inadequate, poor quality, or contaminated fuel, lubricants, greases, fluids, or coolant and related problems; improper installation or repair procedures; RPM operation above or below recommended limits; water ingestion through the carburetor, intake manifolds, or exhaust systems; submersion. In addition, Breakdown resulting from carbonized rings; detonation; pre-ignition; lean fuel mixture; improper ignition timing; incorrect spark plugs; electrical breakdown of starter motors, armatures, or field coils as a result of excessive cranking or water contamination; electrical and or other component breakdown, including corrosion or electrolysis damage caused from reversed battery polarity, shore power supply, or stray current. See MotorGuide owner's manual for specifics on trolling motors.

NORMAL WEAR AND TEAR: Cost of maintenance and repairs such as tune-up, adjustments, and carburetor rebuilding to correct performance loss and/or repairs required as a result of normal wear and tear. By way of example, this includes, but is not limited to, internal carburetor/vapor separator parts such as needles, seats, and floats; reduction or loss of compression due to worn pistons, cylinders, rings, valves, head gasket(s), water pumps and impellers, jet pump impellers, engine couplers and wear rings, spark plugs, high tension spark plug wires, brushes, etc. Replacement of seals and gaskets due to seepage or overheating. Minor loss of fluids is not a mechanical Breakdown. Corrosion to any Product or Covered Part is considered an environmentally-caused condition and is specifically not covered by this Contract.

CONSUMABLES: Some parts or components are considered Consumables. Consumables are not covered by this Contract. Consumables include, but are not limited to, exhaust bellows; gasoline; lubricants; fluids; coolants; grease; filters; screens; hoses; engine mounts; water pumps and impellers; propellers; thermostats; diaphragms; primer bulbs; fuses; light bulbs; breaker points; distributor caps; rotors; internal carburetor/vapor separator parts such as needles, seats, floats and power valve; spark plugs; high tension spark plug wires; trim tabs and anodic protectors; belts; cosmetics such as paint, primers, and decals; Breakdown of parts or components due to corrosion.

OTHER: Mercury Marine Limited accepts no liability under this Contract for failure of a part, component, or system that is caused by improper diagnosis, or from improper repair procedures or workmanship on the part of the servicing dealer. Further, Mercury Marine Limited is not liable for incidental or consequential damages to the watercraft powered by the covered Product which may occur during the repair procedures. Opening the lower unit (trolling motor) by anyone other than an Authorized Servicing Dealer will void this Contract (MotorGuide only). This plan is non-renewable.

HELP OR ASSISTANCE?

If you have a question or require assistance relative to this Contract, please contact your selling dealer, any Authorized Mercury Marine/MotorGuide Dealership, or call Mercury Product Protection at 1-888-427-5373
email: mpp_support@mercmarine.com

