

# TECOINRE, S.L.U.

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## SPARE PARTS AND REPAIR OF MARINE ENGINES AND POWER PLANT



### GENERAL TERMS AND CONDITIONS

#### GENERAL

1. Services, repairs, assembly, works, installations, supply of components, equipment and systems or any other material (hereinafter Work/Service) to be undertaken by TECOINRE, SLU, (hereinafter Contractor), are subject to the present General Terms and Conditions, with the exclusion of all that is expressly stipulated otherwise in the respective quotation to which special conditions may pertain. The present General Terms and Conditions shall only be changed by the agreement in writing of both parties, so it will not be valid the terms and conditions printed or handwritten in any other document issued by the customer (hereinafter the shipowner/Client).

#### DRAWINGS, DESCRIPTIONS & MANUFACTURER INFORMATIONAL BULLETINS

2. All drawings and technical documentation relating to the Work/Services submitted by one party to the other, shall remain the property of the submitting party.  
3. The Shipowner/Client must provide, upon reception, or before works start, and at no cost, any information or drawings necessary for the Contractor to put into operation the activity and/or the maintenance of the Work/Service as per manufacturer recommendations updated to the start date of the works.

#### WORK CONDITIONS

4. The Shipowner/Client must provide, in a timely manner, all the characteristics of the facilities and equipment, as well as ensure that all the conditions required for assembly on the vessel are met to ensure the smooth running of the Work/Service.

#### 5. The Owner is to ensure:

- that the Contractor's personnel can start work in accordance with the agreed timetable and work during the normal working hours established by the Contractor. Works may be carried out outside of such normal working hours as deemed necessary by the Contractor and Shipowner/Client.
- the Contractor is notified, before commencing assembly works, of any relevant safety regulations applicable on the works Site. Assembly cannot be carried out in unhealthy or dangerous environments. All required safety and prevention measures are to have been taken prior to starting any assembly works and must be maintained during the execution of the same.
- the Contractor's personnel can obtain accommodation and food, in conditions of adequate health and safety in the vicinity of the works Site and have access to internationally acceptable medical facilities and medical services. (unless otherwise agreed)
- providing the Contractor with the necessary lifting equipment, auxiliary tools, machinery and power supplies for the carrying out of their professional tasks. The contractor shall specify their supply needs prior to the Work/Service.
- the provision of necessary storage facilities for the tools and equipment required for the works, as well as for the personal property of the Contractor's personnel, protecting all of the aforementioned against theft or damage.
- that there is adequate access to the Site for the transportation of equipment and persons.
- in the case of works abroad, in the event of any illness or accident that might affect any member of the Contractor's personnel, whether during the execution of the Work/Service or in any other way, requiring medical attention or hospital treatment, the Shipowner/Client is to ensure that the best and most appropriate medical facilities and medications are available to the Contractor's personnel. In the event of having to repatriate a sick, injured or deceased Contractor staff member, the Shipowner/Client is to assist the Contractor in handling such repatriation safely and expeditiously.

#### SHIPOWNER/CLIENT BREACH

6. Should the Shipowner/Client foresee that they are unable to comply on time with the obligations that correspond to the Shipowner/Client for the execution of the Works, the Shipowner/Client must notify the Contractor immediately, indicating the reason and, if possible, when the Shipowner/Client shall be able to comply with their obligations.
7. Should the Shipowner/Client fail to adequately comply within the term set forth with their obligations necessary for the execution of the Works, the following shall apply:
- the Contractor may choose to assume the obligations that correspond to the Shipowner/Client, or use the services of a third party for the completion of such tasks, or adopt any other measure appropriate to deal with the effects of Shipowner/Client non-compliance. All costs incurred due to such breach shall be borne by the Shipowner/Client.
  - the Contractor may suspend all or part of its execution of the Work/Service. Such suspension must be notified immediately in writing.
  - if the fulfillment of the Contract is delayed due to the Shipowner/Client's failure to carry out preparatory works, the Shipowner/Client must, in any case, carry out the payment for the part of the Contractual Price that would have been due had there been no delay.

#### DEFECT LIABILITY

8. The Contractor must rectify any fault or defect found resulting from disassembly or assembly errors in accordance with the conditions stipulated in the present document.
9. Contractor liability is limited to defects that appear within a period of 6 months from the completion of the Work/Service.
10. When the defect in a part of the Work/Service has been corrected, the Contractor shall be responsible for any faults in the repaired or replaced part, under the same terms and conditions applied to the original Work/Service and for the same stipulated period of time. Such period shall not be extended for the remaining parts of the Work/Service.
11. The Shipowner/Client must immediately notify the Contractor of any defect found. Such notification is not to be communicated, under any circumstance, outside the term of two weeks from the completion of the Work/Service.  
The notification is to include a description of the defect.  
Should the Shipowner/Client fail to notify the Contractor of the defect within the abovementioned time limits stipulated in the first paragraph of this clause, the right to have the defect rectified is null and void.
12. The repair of the defect must be carried out in the Work/Service location, unless the Contractor deems it necessary that the faulty part or the Work/Service be returned to the premises of the Contractor for its repair or replacement.
13. In the event that the Shipowner/Client notifies the Contractor of a fault and there is no defect for which the Contractor is responsible, the Contractor shall be entitled to compensation for any expenses incurred as a result of such notification.
14. Unless otherwise agreed, the transporting of the Work/Service and/or parts to and from the Contractor for the repair of any faults for which the Contractor is responsible shall be made at the risk and expense of the Shipowner/Client.
15. Unless otherwise agreed, the Shipowner/Client shall bear any additional expense incurred by the Contractor for the repair, disassembly, assembly and transport in the event that the Work/Service is at a location other than the destination established.
16. Faulty parts that have been replaced shall be made available to the Contractor and shall become their property.
17. Should the Contractor fail to fulfill reparation obligations within a reasonable period of time, the Shipowner/Client may, by means of a written notification, establish a deadline for the Contractor to comply with such obligations.

Should the Contractor fail to fulfill such obligations within said deadline, the Shipowner/Client may, at the cost and risk of the Contractor, perform the necessary repair work itself or contract the services of a third party to do so.

**18.** The Contractor is be liable only for defects which appear in the Work/Service under normal operating conditions.

**19.** Except stipulated above otherwise, the Contractor shall not be liable for any losses due to defects. This applies to any loss that the defect may cause, including production losses, loss of profits or any other indirect losses. In the event of claim by a third party for an incident that causes a sentence against the Contractor, the obligation to pay the total amount indicated in the sentence will fall on the Shipowner/Client. This limitation of liability will also operate against insurance entities and/or P&I Clubs with which the Shipowner/Client has entered into insurance or guarantees to cover such losses/damages.

**20.** The Contractor is not liable for defects in the Work/Service caused by any operations, actions or the starting of machinery by the Shipowner/Client without the Contractor being present or without prior written authorization from the Contractor.

#### **CONTRACTOR LIABILITY**

**21.** Under no circumstance is the Contractor to be held liable for any indirect, contingent, special or consequential damage or incident, regardless of its cause or the circumstances of its emergence (including and without limitations, any loss of profits or current or anticipated revenue, anticipated savings, punitive or exemplary damages, the cost of replaced equipment or replaced, removed or reinstated service work that does not arise from the warranty provided herein, towing charges, pollution remediation costs, berthing costs, diving or underwater work, damages to any vessel, engine room or power generation plant, patio or any other property (including damages to property belonging to Shipowner/Client), damage to any equipment or property that is not component equipment or parts in which the Work/Service was carried out, caused by said Work/Service, the costs of any additional testing (including sea trials), removal of debris or loss of time or the use of any equipment, installation system, operation or service). This limitation of Contractor liability applies to any responsibility resulting from the breach of Contractor obligations in connection with the Work/Service, whether based on warranty, non-completion or delay in fulfillment, or any other reason.

**22.** Irrespective of any other provision of the Contract, the maximum liability of the Contractor under the Contract shall not exceed 30.00% of the Contract price. This applies to any loss that the defect may cause, including production losses, loss of profits or any other indirect losses. In the event of claim by a third party for an incident that causes a sentence against the Contractor, the obligation to pay the total amount indicated in the sentence will fall on the Shipowner/Client. This limitation of liability will also operate against insurance entities and/or P&I Clubs with which the Shipowner/Client has entered into insurance or guarantees to cover such losses/damages.

**23.** The Contractor shall not be held liable for any work performed by the Shipowner/Client or any third party, even if carried out with the assistance of the Contractor's personnel. The Shipowner/Client shall assume the risk of loss of equipment and other goods in connection with the Work/Service, even if said equipment or goods are in facilities used by the Contractor.

**24.** The Contractor commits to using quality materials and carry out quality levels of work in accordance with standard practice in ship repair. Taking into consideration that the work is carried out following the instructions of the Shipowner/Client, either directly or through the supervision of the Classification Society, the Contractor cannot accept any responsibility for the behavior of the repaired elements and equipment, except in cases in which there is express negligence.

In case of delays in receiving material required for the execution of the works, the Contractor may use similar materials and/or components, with the prior authorization from the Captain or the representative of the Shipowner/Client and the Classification Society.

**25.** The Contractor shall repair, at its workshops and at its expense, any work or defective material supplied which has been communicated in writing before the removal of the Contractor's workers from the vessel, or, at the choice of the Shipowner/Client, shall pay a sum equal to the cost of such remediation in the Contractor's workshops.

**26.** Liability in point 25. above does not extend to the parts not manufactured by the Contractor or its subcontractors, nor to the parts that, although manufactured by the Contractor or its subcontractors, are in accordance with designs or drawings provided by third parties, in which case the responsibility of the Contractor is limited to the proper execution of such designs or drawings.

**27.** The equipment or products developed at the Contractor's facilities or those of its subcontractors are understood to be delivered from the moment they leave such facilities, even if its transportation is dealt with by the Contractor.

**28.** For the above to be effective, the Shipowner/Client must be notified in order to inspect the goods or products before dispatch..

**29.** Once dispatched by the Contractor, the goods or products are transported at the Shipowner/Client's risk.

**30.** The goods or products supplied by the Shipowner/Client shall be transported at the risk of the same and the Contractor shall not be liable for delays or objections incurred from the intervention of customs authorities or any other.

**31.** The Contractor is not under any obligation to find any hidden defects/flaws or deficiencies in the design of any part or equipment of the vessel/component

under repair. Therefore, the Contractor is not liable for any damages to the repair work as a consequence of such defects, flaws or design faults.

**32.** In no case shall the Contractor be held liable for indirect damages or damages caused by lost time.

**33.** Any Contractor responsibility, excluding those outlined in Contractor liability clauses, shall cease after the vessel has departed, once the Contractor personnel have left the vessel/installation, or upon delivery to the Shipowner/Client of the components for the works.

#### **INSURANCE, LIABILITY**

**34.** The Shipowner/Client is under the obligation to ensure that the vessel, crew and cargo are duly insured during the repair period, and in the case of on-land installations, the equipment in question should be covered by an insurance. If this is not the case, the Shipowner/Client shall assume all the risks covered under the usual policies in the insurance market for these types of risk.

**35.** The Contractor shall cover its legal liability in the event of damages caused to or by the vessels/components under repair, under an insurance policy in accordance with the "General Conditions of Ship Repair Insurance" and the "Ship Repairers' Legal Liability Clause LSW169A" coverage, with an insurer of recognized solvency, up to a limit of two million (2,000,000) Euros (€).

Legal liability shall also be covered for possible breakdowns caused by the "Sale of spare parts and the repair of engines (mainly combustion), supply of new and reconditioned parts and the possibility of installation in third-party facilities" with a maximum compensation limit of €600,000 per claim, and an aggregate limit per annuity or insurance period of €600,000 that will depend on the coverage of the Contractor's policy with their insurer at the time of notifying the claim to the Contractor's insurance company, with the following sub-limits, subject also to the above aggregate limit:

- Contracted work-related accidents civil liability: a sublimit of 300,00 euro per victim is established for the coverage of civil liability for work-related accidents
- Contracted products civil liability: a sublimit of 300,000 euro/claim is established for damages to ships and per annuity, exclusively covering the activity of supply of parts.

**36.** Risks not covered and those expressly excluded by said policy and clauses shall be borne by the Shipowner/Client.

**37.** Should the Shipowner/Client wish to extend the coverage, this must be specified in writing, with the extra premium being borne by the Shipowner/Client.

**38.** In no case shall the Contractor be liable for any loss or damage resulting from the loss of use or loss of profit of the vessel or component being undergoing work.

**39.** If, for reasons for which the Contractor is not responsible, it becomes impossible to fulfill the total repair undertaken, the Shipowner/Client is to pay the Contractor the amount corresponding to the part of the works carried out.

**40.** Any test or movement of the vessel/component under repair shall be carried out under the responsibility and risk of the Shipowner/Client. The Contractor shall not be held responsible for Shipowner/Client losses or damages resulting from such movements and tests.

#### **GUARANTEE**

**41.** The Contractor shall repair any defective Work/Service that may emerge during the warranty period. All warranty claims are to be made in writing and without delay, and no later than fourteen days after the discovery of such defect during the warranty period. The Shipowner/Client shall be responsible for establishing that the claim is covered by this Guarantee.

Repairs under this guarantee shall be carried out according to the general conditions described.

**42.** The warranty period for the Works/Services or supply of parts begins from the completion/delivery date and ends 180 days later. The warranty period for the works redone starts on the date of the invoice for the original works and lapses on the same day as the original warranty. The guarantee for the redone Work/Service is subject to the same terms, conditions and limitations of responsibility that apply to the Work/Service originally carried out. Under no circumstances shall the guarantee period of any Work/Service (whether original or redone) be extended beyond the established date.

**43.** The Contractor is not to be held liable for any defect that is due to, or that arises in connection with:

- 1) any material, spare, component, tool, energy or software provided by the Shipowner/Client
- 2) negligence or willful misconduct or incorrect maintenance by the Shipowner/Client, or the concealment of technical information of importance for the carrying out the work entrusted to the Contractor
- 3) parts, accessories or attachments that are not those supplied by the Contractor in the development of the Works/Service
- 4) service works, installations or incorrect modifications made by the Shipowner/Client
- 5) regular wear or hidden flaw
- 6) the use of inappropriate materials or supplies by the Shipowner/Client
- 7) fluctuations in the power network
- 8) any use, service or operation of any equipment, part or component upon which the Work/Service was performed that is not in accordance with the manuals, instructions or specifications provided by the Contractor, or that is not otherwise in accordance with the usual practices of the industry. The Contractor's warranty obligation does not include crane service, electricity,

scaffolding, berthing, diving, underwater work, towing costs, disassembly or assembly costs, travel and expenses of the personnel or of the Contractor's representatives, and all costs and expenses are to be reimbursed by the Shipowner/Client to the Contractor when applicable.

If the investigation of the Contractor's warranty reveals that the Shipowner/Client does not have a warranty claim within the scope of these conditions, the Shipowner/Client shall be responsible for all applicable costs and expenses of said inspection, for the repaired or replaced components, and for any other service work.

For works or services contracted by administration, since the works or services are managed by the Shipowner/Client, and hence in which the technical decision-making is the responsibility of the same, no guarantees will be assumed.

In works of collaboration with technicians contracted or managed by the Shipowner/Client or other collaborating companies contracted by the same, no guarantees will be assumed, since the technical management is the responsibility of the Shipowner/Client.

#### **PRICE AND CONDITIONS OF PAYMENT**

44. The prices of the Work/Service, both for personnel as well as for the use of auxiliary equipment, subcontracting, transport material, consumables, etc..., are based on unit rates. The unit rates, annexed to the Shipowner/Client quotation, are net and do not include VAT or any other tax or fee, which shall be subsequently invoiced at the corresponding rates.

45. Orders placed by the Shipowner/Client for the supply of spare parts, materials, equipment or any other material shall have the fixed price indicated in the Contractor's quotation.

46. In the case of having estimated the number of hours required for the carrying out of tasks for the fulfillment of the Work/Service, this amount of hours is purely indicative, and the hours actually worked shall be those that are invoiced.

47. The method of payment is to be agreed and confirmed between the Shipowner/Client and Contractor prior to the start of the Work/Service.

48. The payment shall be made without any deduction such as non-agreed withholdings, discounts, expenses, taxes or fees, or any other deduction.

49. In the event that the Shipowner/Client incurs delays in the agreed payments, the Contractor may provisionally or definitively suspend, at its choice, the execution of the agreed Work/Service, without detriment to requiring the Shipowner/Client to make late payments and claiming, where appropriate, additional compensation for the suspension of the execution of the Work/Service.

#### **NON-PAYMENT**

50. The Shipowner/Client undertakes to pay the agreed price. The payment terms for the price shall be as specified in the Purchase Order. In the absence

of an agreement, payment of the price shall be made upon the issuance of the invoice.

The Shipowner/Client shall be obligated to reimburse the Contractor for any costs (including reasonable attorney's fees and court costs) incurred for the collection of any payments overdue by the Shipowner/Client for more than thirty (30) days. The Contractor shall have the right to collect interest from the due date of payment and seek compensation for collection costs. At the Contractor's discretion, the Contractor may demand interest on any overdue payments at the lower of the following two rates:

- (I) One and a half percent (1.5%) per month, or
- (II) The maximum amount allowed by applicable law. Subsequently, any amounts paid by the Shipowner/Client shall be applied, first, to accrued interest, and then to any outstanding principal.

#### **INSURANCE**

51. Both the Contractor and the Shipowner/Client will obtain and maintain comprehensive insurance coverage to protect the property and personnel of each, at their own expense.

#### **EMERGENT LOOSES**

52. Except as otherwise provided in these General Terms and Conditions, no liability shall be undertaken by any of the parties with respect to the other, for loss of production, loss of profits, loss of use, loss of contracts, or any other emergent or indirect loss.

#### **DUTIES, TAXES AND CHARGES**

53. The Shipowner/Client shall pay, when applicable, all duties, withholding taxes and other taxes, customs duties and fees as well as classification and inspection society fees. All documentation or approval as required by applicable laws, and any applicable modifications to said laws, shall be the responsibility of, and paid by, the Shipowner/Client.

#### **DISPUTES AND APPLICABLE LAW**

54. Any litigation arising in connection with the Contract shall be finally resolved under the Arbitration Rules of the Chamber of Commerce of Vigo, by one or more arbitrators appointed in accordance with the aforementioned rules.

55. The Contract shall be governed by the substantive Law of the Contractor's country.

*PREVIOUS WARNING: This document is a document translated to English for informational purposes only and should not be considered official. In case of discrepancy, the original text in Spanish will prevail.*

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For the purpose of the established under Organic Law 3/2018 of 5 December, on the Protection of Personal Data, we hereby inform you, regarding the personal data you have provided to us, the following:

**Responsible for data processing:** Your data will be processed by TECOINRE, S.L.U. with CIF: ES-B27797117

**Purpose and legitimation:** The purpose of the processing of your data is the budgeting of products and/or services and, if applicable, the invoicing thereof. You give us authorization to process your data for the purposes described when you request quotation, because it is necessary to elaborate it.

**Deadlines:** Your data will be kept as long as we maintain any business relationship, or during the time required by law.

**Targets:** Your data will not be disclosed to third parties, unless lawfully exigencies.

**Rights:** If you wish to exercise your rights if access, modification, cancellation, opposition, limitation and/or portability, or if you wish more information regarding the process of your data, please write attaching a copy of your personal identification to the following address: Camiño da Feira, nº 8 nave 1 - Bembrive, , 36214 - Vigo (Pontevedra) or by email to [comercial@tecoinre.com](mailto:comercial@tecoinre.com)

**Additional information:** You can find additional and detailed information regarding Protection of Personal Data in our Privacy Policy:

<https://tecoinre.com/en/politica-de-privacidad/>