

# Commercial Proposal

Client reference: 070327C  
Client name: TechnipFMC  
Project: Studio Torcia a Terra per Impianto P1CR - Versalis (Eni)  
Rev: 1

JZHC Reference: JZ-55259-B

Date: 29 June 2017

Author: Eleonora Seletti

Direct Dial: +39.039.6386.040

Mob: +39 366.66.56.882

Fax: +39.039.6386.011

Email: <mailto:eleonora.seletti@johnzink.com>



John Zink Hamworthy Combustion S.r.l.  
Via Torri Bianche, 3  
20871 Vimercate (MB)  
Italy

T: +39.039.6386.010  
F: +39.039.6386.010  
[johnzinkhamworthy.com](http://johnzinkhamworthy.com)



## GENERAL INTRODUCTION

29 June 2017

Subject: **Studio Torcia a Terra per Impianto P1CR - Versalis (Eni)**

Client: **TechnipFMC**

John Zink Reference: **55259-B**

Dear Sir,

Thank you for your interest in John Zink Hamworthy Combustion. We have reviewed your inquiry and offer the following budgetary proposal. This budgetary proposal is intended only as an estimate to facilitate your planning processes and does not constitute a commitment of offer on our part. Any firm offer or binding quotation will be the subject of a formal proposal at a future date and will be subject to restricted party screening and the full disclosure of the parties involved, including but not limited to the end-user and ultimate destination.

John Zink Hamworthy Combustion's offer is not an offer for rejection or acceptance in consideration of formulating a contract with John Zink Hamworthy Combustion and does not infer any responsibility or obligation for John Zink Hamworthy Combustion to carry out such work or accept a contract based upon this document. It is a discussion document only.

John Zink Hamworthy Combustion will be pleased to accept an order only after detailed discussions and agreement upon the full technical and commercial content of this offer. These discussions could cause John Zink Hamworthy Combustion to alter this offer from that presented.

We appreciate your interest in John Zink Hamworthy Combustion and look forward to working with you on this project. If you have questions, please contact our office.

Thank you for allowing us this opportunity to be of service.

Sincerely,

*Eleonora Seletti*



[Eleonora Seletti | EMEA – Flare Sales and Application Engineer](#)

John Zink Hamworthy Combustion S.r.l.

Via Torri Bianche, 3 | 20871 Vimercate (MB)

Italy

T: +39 039 6386 040

F: +39 039 6386 011

Mob: +39 366 66 56 882

E: [eleonora.seletti@johnzink.com](mailto:eleonora.seletti@johnzink.com)

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### PROPRIETARY INFORMATION NOTICE

All information supplied herewith, including without limitation technical or financial data, know-how, formulae, processes, designs, photographs, drawings, specifications, software programs and samples and any other material bearing or incorporating any information relating to John Zink's products or systems is proprietary information belonging to John Zink. Such information shall not be copied, reproduced, used or disclosed, (in whole or in part) without the prior consent of John Zink for any purpose other than that for which it has been supplied

PLEASE NOTE THAT JOHN ZINK WILL ENFORCE ITS INTELLECTUAL PROPERTY RIGHTS IN ANY OF ITS PROPRIETARY INFORMATION TO THE MAXIMUM EXTENT PERMISSIBLE AT LAW, WITHOUT FURTHER NOTICE.

## 1. Introduction

### ▶ DISCOVER THE JOHN ZINK DIFFERENCE

**JOHN ZINK IS THE GLOBAL LEADER** in developing next-generation products, technologies and solutions to enhance air and water quality through the clean, efficient combustion of fossil fuels. Every day, John Zink's technologies are put to work by industry giants worldwide that refine oil, produce plastics, distribute fuels, generate power, transport energy and manage waste.

The company's portfolio of brands includes JZ® flares, process burners duct burners, thermal oxidizers, and vapor control systems; KALDAIR® flares; COEN® and TODD® boiler burners; and KEU™ thermal oxidizers and heat recovery systems.

John Zink's Research, Development and TestCenter, located in Tulsa, USA, is the largest, most comprehensive of its kind. Here, the next generation of ultra-low emission combustion and environmental systems is engineered and tested at industrial scale to measure performance under a wide range of operating conditions. An John Zink International Luxembourg operates a similar facility in Luxembourg.

John Zink's world-class management systems are recognized for meeting or exceeding industry standards in quality, safety and health, and the environment, and for setting new standards in knowledge-sharing through accredited education. The world-renowned John Zink Institute<sup>SM</sup> offers practical, accredited courses on the latest advancements in process and boiler burner, process and biogas flare and vapor control technologies.

John Zink International Luxembourg is part of the Koch Chemical Technology Group. To learn more about John Zink, visit [www.johnzink.com](http://www.johnzink.com).

### QUALITY MANAGEMENT



John Zink's Tulsa and Luxembourg operations meet the requirements of the internationally recognized ISO 9001-2008 (2000) Quality Management System.

### SAFETY & HEALTH MANAGEMENT



OSHAS 18001 certification of John Zink's Tulsa and Luxembourg facilities underscores our commitment to providing a culture of safety and focuses on identifying and eliminating workplace hazards while maintaining health and safety compliance.



John Zink's Tulsa facility is a recipient of the Voluntary Protection Program (VPP) Star Certification, which recognizes selective companies that show a commitment to improved safety and health performance beyond the requirements of the OSHA standards, and who have demonstrated safety performance considered best in class.

### ENVIRONMENTAL MANAGEMENT



John Zink's Tulsa and Luxembourg operations meet the requirements of the internationally recognized ISO 14001 Environmental Management System.

### KNOWLEDGE & EDUCATION MANAGEMENT



John Zink preserves its legacy expertise and experience through knowledge-sharing practices.



The IACET-accredited John Zink Institute<sup>SM</sup> at John Zink Company, LLC offers year-round courses in combustion education to enhance operations knowledge.



The John Zink Institute<sup>SM</sup> has earned certification of its Process Burner Fundamentals and Process Burner Operations courses from the American Petroleum Institute. John Zink is the first company to have a burner course certified under API's training provider certification program.

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## 2. Technical Offer

See separate offer: flare datasheets\_rev2

**Notes:**

- ❑ Prices for Erection, Pre-commissioning, Commissioning, and Start-up spare parts are valid if such spares are purchased separately from main equipment.
- ❑ Prices for Capital spare parts are valid if such spares are purchased at same time of main equipment.

## 3.2 VALIDITY

Except as otherwise noted in this proposal, the prices are valid for (90) days from the date of proposal. However, due to recent significant and adverse worldwide fluctuation in the price and availability of both steel and steel containing components, prices and delivery schedules stated herein are subject to adjustment at the time of the order placement.

Should material prices increase and availability of steel changes during the execution of the order, further price adjustment may be required and delivery schedules will need to be reviewed.

Please, note that we are submitting this offer and pricing with the understanding and provision that any resulting contract shall be based on total quantities as specified in this proposal. We reserve the right to adjust our proposal pricing if quantities of equipment change.

The prices do not include any additional cost due to stoppage of work, certified strikes, etc..., or any other reason out of John Zink control, including Force Majeure.

## 3.3 DELIVERY

The delivery period is dependent on the factory loading at the time the order is placed and will be confirmed immediately prior to order placement.

- Total delivery time: TBD
- Delivery Terms (INCOTERMS 2010):
  - Ex Works JZ selected workshops

The above schedule foresees 10 working days as Customer's approval time, and that the official PO. is received within 1 week from the eventual fax or letter of intent, complete of all Technical & Commercial attachments.

NOTE: Time for delivery is not of the essence. John Zink recognizes the importance of timely delivery of the equipment and documentation. Notwithstanding anything to the contrary contained in this Contract, in the event that delivery is delayed for reasons attributable to the John Zink, then John Zink will pay agreed liquidated damages of 0.5% per week of the value of the delayed portion of the supply up to a maximum of 5% of the contract price. Payment of liquidated damages shall be the Buyer's sole remedy for delay.

### 3.4 PAYMENT SCHEDULE

Net 30 days from date of invoice.

Portion	Method Of Payment	Condition
15%	TBD	Upon reception of "Letter of Intent" (L.O.I.) or "Purchase Order" (P.O.), whichever comes earlier.
20%	TBD	Upon placement of main steel part suborders (process or structural steel whichever comes first)
35%	TBD	Upon main materials receipt (flanges/plates or beams/pipes whichever comes first)
20%	TBD	Upon final inspection
8%	TBD	Against delivery of material (excluding documentation) Ex-works loaded on truck; if delivery is postponed for any reason beyond Seller's control and responsibility, payment will be executed after 30 days from issue of "Cargo Readiness Notice".
2%	TBD	After submission of final documentation.

TBD: To Be Discussed

John Zink will propose delivery in lots and payments will be proportional to the value of each lot. Details to be discussed later.



## 4. Clarifications

### 4.1 PERFORMANCE GUARANTEE

Seller provides the following process performance guarantees (collectively, the "Performance Guarantees"):

John Zink guarantee that the material offered complies with all performance and hardware requirements called in the requisition and comply with the conditions given in the data sheets, except where specified in this quotation.

The Performance Guarantees are subject to the conditions listed below.

- Please refer to John Zink datasheets and Deviations and Clarifications section of this offer.
- The equipment is installed, commissioned, operated, and maintained in compliance with manufacturers' operating and maintenance guidelines and accepted good industry practices.
- Any signs of defects are immediately reported in writing to Seller.
- Seller is given the opportunity to inspect all operating records relating to the equipment.
- Buyer has not used or repaired the equipment after discovery of the defects without Seller's prior written consent.
- Buyer has not modified the equipment without Seller's prior written consent.

The material goods storage and maintenance before the startup are at Customer's care and responsibility in order to keep the guarantee's validity.

Any eventual running test must be required within 3 months from the first start-up of the flare system, but no later than 6 months from delivery from our shops. After this time, John Zink reserves the right to check the current status of all material.

Seller shall have no obligation to honour the Performance Guarantees if any of the conditions set forth herein are not met.

Seller makes no guarantees for deterioration or failure of parts of equipment due to corrosion, erosion, fouling or normal wear during operation.

The performance and mechanical guarantees stated above shall cover a period of twelve (12) months "Normal Operation" or for eighteen (18) months after completion of delivery whichever occurs first.

The Performance Guarantees will expire at the end of the Warranty Period.

## 4.2 COMMERCIAL DEVIATIONS AND CLARIFICATIONS

- Field services (erection supervision, pre-commissioning, commissioning, start-up) are offered optionally.
- Performance testing excluded.
- We take exception to any list of supplier for raw material and steel subcontractors.
- Due to the proprietary nature of shop detail drawings and design calculation, this information cannot be provided. Only non proprietary design documents / calculations will be provided if required.
- The dimensions stated in this offer are preliminary. Final dimensions will be defined during detail engineering.
- All electronic documents and drawings will be provided to Client in JZ standard format.
- We reserve the right to vary our prices to take account of any specification or requirement not presently in our possession.
- Our quotation is exclusive of all local destination laws and regulations.
- The delivery location is as specified in this proposal. We exclude any transport costs, insurance duties, taxes or other costs after delivery at the nominated point.
- Vendor Data supplied will be John Zink standard documents. JZ shall submit the Drawings / Documents for approval through e-mail in PDF format only. Detailed fabrication drawings shall not be submitted for an approval since they are proprietary in nature. We will submit detailed General Arrangement drawings for customer approval.
- Our proposal is based on John Zink standards for manufacture. Flare tip is designed to John Zink standards.
- Flare Tip and Pilots are considered as proprietary items which design and built to John Zink standard.
- All raw materials, plate, flanges, fittings, structural steel, piping material, consumable, fasteners etc. shall be purchased from trader / supplier from open market.
- Foundation Design, Start-up, Installation, Erection, Site work, Insulation, DCS & ESD, CCTV system, Area Lighting, Insulation, Header Piping, Piping mounted on Stack, Tools for transportation, erection and installation, Foundation Anchor bolts etc. are excluded from our scope.
- All dimensions, material thickness, etc. in this proposal are preliminary and subject to modification, in compliance with specifications, after final engineering.
- John Zink Company reserves the right to fabricate all or parts of this system at one or more facilities in our international subcontract fabrication facilities as required to provide any advantage in executing any contract resulting from this proposal.
- Specifications are noted and to the best of John Zink's knowledge, the design, material, inspection, testing and certification as provided in this quotation meet the requirements for only applicable specifications. Except where noted in this proposal, the proposed equipment design and scope of supply is in compliance with only those specific client specifications provided with the requisition. Nested or referenced specifications that were not provided by purchaser with the requisition are specifically excluded from this proposal.
- Any rule, regulation, or standard issued by cities, counties, states, and governments applicable to your flare system design and emissions, if submitted to John Zink Company will be evaluated.
- All equipment & services other than those specifically included within the scope of supply described in this proposal are excluded from our scope.
- If client specifications call for submittal of calculations for review, John Zink Company does not agree to submit such calculations unless specifically agreed to elsewhere in this proposal.
- Changes required by the Buyer or its agents after the initial drawing review may result in delays and additional engineering or drafting costs. Such costs, together with increases in fabrication costs that

will result from these changes, will be presented to the client and must be approved before work commences.

- If calculations are required, by the specifications, to be submitted for review or information, such calculations will be provided in the form of computer input and output sheets.
- John Zink statements concerning equipment design and sizing, materials of construction and manufacturing of individual items of equipment have been made solely to prepare this proposal for client evaluation. Any client-preferred locations or conditions not included with the bid specification may affect price. In the event of an order, after detailed engineering, we reserve the right to size and select materials and equipment other than that itemized in order to produce goods best designed to meet the client's specified requirements. The client would, of course, be advised of such changes in a timely manner.
- Third party inspection and authority approvals excluded, unless otherwise specified in this offer.
- On site hydrostatic pressure test excluded, unless otherwise specified in this offer,
- Anything not expressly described in this offer is excluded

## 5. Terms and Conditions

See attached standard T&Cs

## 6. Technical Field Support

See attached TAA