Contractual resilience review (CRR)

A rapid diagnostic offering for geopolitical and operational disruption

Serviced through an integrated EY approach

The better the question.
The better the answer.
The better the world works.

Shape the future with confidence

Table of content

1

Current scenario:

why contractual resilience matters now

Organizations across the region are facing unprecedented disruption. This is exposing gaps between operational realities and existing contractual commitments, driving increased risk and uncertainty.

1
A materially disrupted operating environment:

- Geopolitical dynamics are disrupting supply chains, logistics, mobility and regulatory conditions.
- Interruption cascades across customers, suppliers, financiers and insurers.
- Therefore, contractual commitments are increasingly misaligned with current operating realities.

2
Contractual risk is often misunderstood and underestimated:

- Safeguards are assumed to provide automatic protection.
- Outcomes depend on timely identification, interpretation and execution.
- Relevant contractual mechanisms are often missed or triggered too late.

3
The real challenge is coordination and execution under pressure:

- Exposure involves multiple stakeholders (operations, commercial, legal dimensions, etc.) but is managed in silos.
- Time-critical actions require coordinated execution across functions.
- Organizations lack a structured way to connect disruption, contracts and decisions in real time.

Failure to identify and act on these provisions in a timely manner may lead to:

- Contractual breaches
- Liquidated damages and financial penalties
- Insurance or recourse failures
- Regulatory and reputational exposures

2

Proposed recommendation:

what is CRR

CRR provides a rapid, structured response to disruption by connecting operational realities, contractual position and decision-making in a coordinated and effective manner.

CRR approach: Core pillars

1

Make exposure visible

- Identify critical contractual and commercial commitments across customers, suppliers, lenders and key stakeholders
- Assess how disruption impacts delivery, performance and dependency across operations and the wider ecosystem
- Surface areas of misalignment, concentration risk and potential exposure

2

Enable coordinated response

- Bring together operational, commercial, contractual and legal inputs into a single decision view
- Prioritize response actions based on impact, urgency and feasibility
- Support structured execution planning, including stakeholder engagement and mitigation pathways

3

Clarify options and recourses

- Map relevant contractual mechanisms and response levers in context
- Provide clarity on available options, timing sensitivities and dependencies
- Highlight areas where value can be preserved, exposure mitigated or flexibility created

Client benefits

1 Early visibility of contractual and operational exposure

2 Clear, decision-ready view of response options

3 Timely preservation of rights and mitigation of downside risk

4 Reduced likelihood of dispute escalation and financial leakage

5 Stronger organizational resilience under sustained disruption

Provided through an integrated EY approach combining commercial, operational and legal insights

3

Who this is for:

where CRR is most relevant

CRR is most relevant for organizations operating in complex, multi-party contractual environments where disruption can materially impact delivery, performance and financial outcomes.

Infrastructure and capital projects

- Long-term, high-value contracts with delay, cost escalation and force majeure exposure
- Complex contractor and supplier ecosystems with back-to-back dependencies

Energy and utilities

- Commodity supply and transportation contracts exposed to disruption, sanctions and price volatility
- Long-term agreements sensitive to logistics and regulatory changes

Aviation and logistics

- High dependency on airspace, fuel supply and global routing agreements
- Network disruption creating cascading service and contractual exposure

Manufacturing and industrials

- Multi-tier supplier networks with just-in-time dependencies
- Upstream disruption impacting production continuity and downstream commitments

Government and public sector authorities

- Critical service delivery obligations under disruption
- High exposure to regulatory, contractual and stakeholder accountability

Telecommunications

- Long-term infrastructure and vendor contracts with strict service-level requirements
- Strong dependency on uptime, network resilience and multi-party coordination

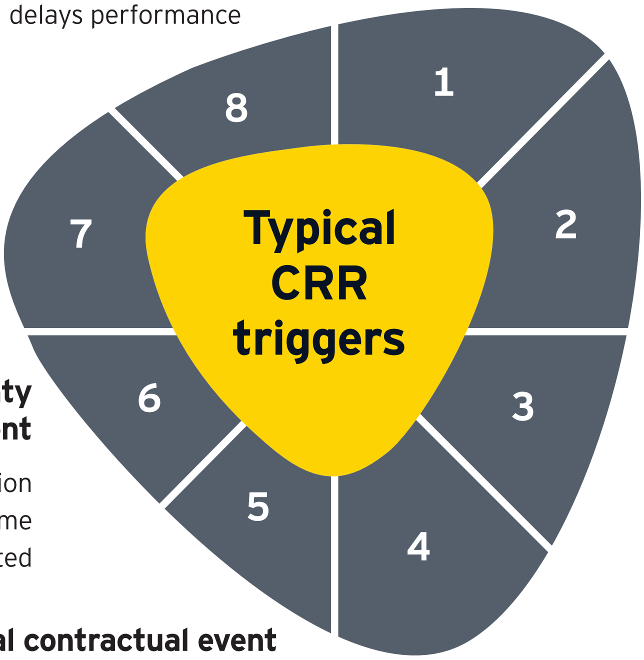
Note: Some of the attributes may be common among industries or sectors.

4

When to act:

typical CRR triggers

CRR should be activated when specific disruption events begin to materially impact contractual performance, commercial outcomes or operational continuity.



External constraint event

A logistics, routing or access restriction is imposed or announced

Performance escalation event

A key project milestone is formally disputed or escalated

Legal or regulatory event

A counterparty becomes subject to new sanctions or regulatory action

Internal decision event

Senior management escalation due to uncertainty over rights, obligations or exposure

Formal contractual event

A contractual notice, claim or reservation of rights is issued or received

Risk transfer uncertainty event

Insurance coverage, notification timing or recoverability become unclear or contested

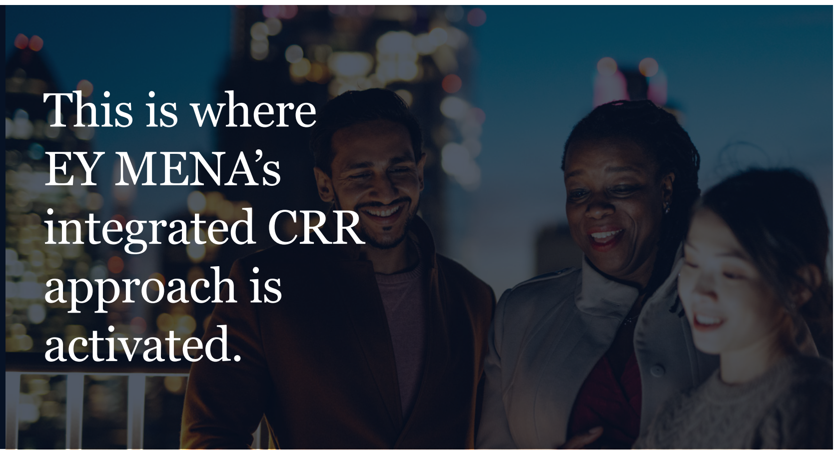
Economic shock event

Material cost inputs change suddenly, materially impacting contract viability

Supplier-side event

A critical supplier formally fails, suspends or delays performance

When these trigger events occur, organizations typically require a rapid, structured engagement model to assess exposure, prioritize action and coordinate response.



5

Proposed recommendation:

the CRR journey

CRR is executed through a structured diagnostic framework that systematically identifies, assesses and prioritizes disruption-related exposure across critical commitments.

CRR diagnostic framework

1 Disruption context assessment

- Identify key geopolitical, regulatory and operational disruption drivers affecting operating environment
- Identify disruption scenarios most relevant to performance, delivery and stakeholder obligations

2 Critical commitment mapping

- Identify and catalog critical contractual and commercial commitments including revenue, procurement, financing, insurance and strategic supplier arrangements
- Identify visibility across the most material obligations and counterparties

3 Contract criticality prioritization

- Prioritize contracts considering criteria such as financial exposure, operational dependency and criticality to business continuity
- Incorporate assessment of contractual flexibility and leverage to inform prioritization

4 Exposure and trigger assessment

- Assess disruption-related exposure across prioritized contracts and commitments
- Identify relevant trigger points and conditions that may impact performance, relief and suspension options

5 Back-to-back dependency review

- Analyze alignment and misalignment across contract chains
- Identify gaps where upstream or downstream exposure may not be recoverable, creating value leakage or residual risk

6 Documentation and evidence readiness

- Assess availability and quality of required documentation to support the organization's position
- Identify gaps in records, notices, data and evidence that may undermine response or recourse

7 Mitigation and response planning

- Support structured response planning, including mitigation options, stakeholder engagement sequencing and next-step decision pathways
- Prioritize response actions based on impact, urgency and feasibility

8 Implementation and ongoing resilience support

- Support execution of prioritised actions across operational and contractual dimensions
- Identify monitoring mechanisms for contractual exposure, triggers and performance risks

Illustrative outcomes and deliverables

Disruption exposure snapshot	Critical commitments inventory	Contract criticality heatmap
Trigger and exposure assessment	Prioritized response action plan	Dependency and gap view

6

From activation to execution:

why EY MENA

When disruption creates immediate contractual and operational pressure, EY MENA brings a rapid, structured and integrated engagement model. It combines clarity, coordination and execution to help organizations respond with confidence.

Potential CRR deployment model

Executive exposure scan

Rapid orientation and prioritization

- High-level assessment of disruption impact across operations and critical commitments
- Rapid identification of priority exposure areas requiring deeper focus
- A clear view of where value and risk are most concentrated

Piority contract review

Focused diagnostic

- Detailed review of selected high-priority contracts and dependencies
- Identification of trigger points, obligations, response levers and timing sensitivities
- Structured assessment of exposure, recovery potential and mitigation options

Response and mitigation support

Action and execution and prioritization

- Prioritized response and mitigation plan across operational and contractual dimensions
- Support with stakeholder coordination and execution sequencing
- Optional support for renegotiation, recovery or dispute avoidance pathways

Implementation and Managed Support

Execution, monitoring and continuity

- Support execution of agreed mitigation and response actions across contracts and operations
- Identify ongoing monitoring of contractual exposure, trigger events and performance risks
- Provide optional ongoing support services for sustained oversight, reporting and coordination

Modular and scalable: Organizations may engage at a specific phase or across the full CRR lifecycle, including ongoing execution and monitoring support, depending on urgency and complexity.

Why EY MENA for CRR

Truly integrated capability
across operational, commercial, legal and contractual dimensions.

Speed to insight
across operational, commercial, legal and contractual dimensions.

Deep sector experience
in complex, multi-layered operating environments.

Practical, execution-focused mindset
focused on preserving value, not creating disputes.

Integrated service offering
providing a seamless client experience under pressure.

7

Contacts

Omar Odeh
EY MENA Consulting Leader
omar.odeh@sa.ey.com
Ernst & Young Middle East and North Africa Regional Headquarter, Riyadh

Robert Abboud
EY MENA Risk Consulting Leader
robert.abboud@qa.ey.com
EY Consulting LLC, Doha

Sheraz Javed
Partner, Risk Consulting
sheraz.javed1@ae.ey.com
EY Consulting LLC, Dubai

Chris Sioufi
EY MENA Law Leader
chris.sioufi@ae.ey.com
EY Law LLP, Dubai

Rodolphe Pellerin
EY MENA Transactions Law Leader
rodolphe.pellerin@ae.ey.com
EY Law LLP, Dubai

Kawther Haciane
EY MENA Digital Risk Leader
kawther.haciane@ae.ey.com
EY Consulting LLC, Dubai

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

The MENA practice of EY has been operating in the region since 1923. Over the past 100 years, we have grown to over 8,500 people united across 27 offices and 14 countries, sharing the same values and an unwavering commitment to quality. As an organization, we continue to develop outstanding leaders who deliver exceptional services to our clients and who contribute to our communities. We are proud of our accomplishments over the years, reaffirming our position as the largest and most established professional services organization in the region.

© 2026 EYGM Limited.
All Rights Reserved.

EYG no. 112731-26-GBL
ED None.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com