

Acceleration of International EPC Negotiations Through Innovative Legal Structuring

- INTERNATIONAL EPC CONTRACTS EXCEEDING USD 650 MILLION GOVERNED BY ENGLISH LAW
- EPC NEGOTIATIONS ACCELERATED FROM 9+ MONTHS TO 4 MONTHS
- CROSS-BORDER COORDINATION ACROSS CHINA, CIS, MIDDLE EAST & EUROPE

PROJECT BY ANASTASIIA MILCHAKOVA

Key Challenge

- ▶ **Supported successful transition from FEED tender stage** to EPC implementation through resolution of tender-stage dispute.
- ▶ **EPC contracts** under English law + **Technology licensing agreements**: integration of previously acquired and newly acquired technologies with differentiated risk allocation approaches, taking into account the specific nature of patented and non-patented technological solutions.
- ▶ **Automatic novation mechanisms** for key contracts in favor of the Owner under English law.
- ▶ **Security Structuring**: Bank guarantees under URDG 758 + Retention and set-off mechanisms.

Key Risks

Delay-related commercial losses.

Performance risks (defects).

Technology integration issues.

Innovative Legal Approach

- ▶ **Staged negotiation approach** based on early alignment of key commercial and legal risk allocation principles.
- ▶ **Real-Time Contractual Resolution:** Immediate clarification of drafting, risks and English-law interpretation issues.
- ▶ **Bargaining Zone Strategy:**
Structuring multiple negotiation pathways, including potential lender participation;
Preparing alternative concession scenarios;
Mitigation of negotiation deadlock risks (expert determination clauses).
- ▶ **Deal Design:**
Development of commercially workable contractual solutions;
Expansion of bargaining opportunities between stakeholders (discussions of potential future projects).
- ▶ **Fairness Norms:** industry practice.
- ▶ **Negotiating power:** Stronger negotiation leverage during FEED and tender stages enabled alignment on key EPC contractual terms at an early stage – stronger “Best Alternative to a Negotiated Agreement” (BATNA). Maximizing Contractor’s obligations prior to Advance Payment release to preserve negotiating leverage.

Results & Impact

- ▶ 4 Months instead of standard 9+ months negotiation timeline.
- ▶ USD 650+ Million international contractual documentation executed.
- ▶ Multi-Region Coordination China • CIS • Middle East • Europe.
- ▶ Earlier Project Launch.
- ▶ Reduced delay-related commercial risks.
- ▶ Contributed to regional economic growth through infrastructure development, industrial investment and creation of thousands of jobs.

Professional & Industry Impact

Broader Industry Value

- ▶ scalable EPC negotiation methodology;
- ▶ applicable to infrastructure, energy and industrial projects;
- ▶ adaptable for future cross-border projects.

Personal Contribution

- ▶ Senior Legal Counsel role;
- ▶ negotiation and legal structuring;
- ▶ coordination of contractual risk allocation;
- ▶ English-law EPC and licensing documentation.

Recognition

- ▶ UCLA School of Law — Dean's Tuition Fellowship;
- ▶ Gazprom Certificate of Honor;
- ▶ Graduated with honors from Kutafin Moscow State Law University and awarded Student of the Year in 2011.