

BILLING GUIDELINES

FOR OUTSIDE COUNSEL OF IMPLENIA



+ PLANNING

+ BILLING

+ INVOICING

We value and expect that Outside Counsel contributes to the achievement of Implenia's business goals based on an effective, professional, and fair partnership.

A **Fee Arrangement** is agreed at the outset of each engagement, in consideration of the framework between Implenia and Outside Counsel.

The present "**Billing Guidelines**" are intended to help clarify Implenia's expectations, principles of cooperation and procedures for the billing of Outside Counsel's and timekeeper's services. Failure to follow them may result in invoices being adjusted or rejected.

Overview: What might be new to you

They will become effective on **1 January 2023** for all current and future engagements and take precedence over the provisions of an engagement letter or agreement unless Implenia has agreed otherwise with Outside Counsel in writing.

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PLANNING

Budget

Outside Counsel must submit a **budget** to Implenia for approval prior to each new engagement. Implenia will not pay invoices until the budget has been submitted, approved, and entered on its vendor portal.

Staffing

If and when **75%** of the budget is exhausted, Outside Counsel will notify Implenia immediately and either

- **confirm** that the matter will be completed within or below the budget; or
- propose reasonable **measures** to deliver within budget and without compromising the quality of the work.

Vendor Portal

Payment of invoices in **excess** of the approved budget is subject to the written agreement of a new budget with Implenia.

If, at Implenia's request or as a result of an increase in complexity, the **scope** of the matter increases, Outside Counsel will inform Implenia without delay and request its approval of a budget adjustment. Outside Counsel will explain the reasons for this (e.g. important and unforeseeable grounds) and submit a proposal for a budget update.

Implenia will not unreasonably refuse justified requests for budget adjustment.

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The budget includes:

- A realistic **estimate of fees**, including third-party vendors, hired consultants or adjustment of staffing if necessary.
- The prospective **timeline** and milestones
- Upon Implenia's request, **budget information** by type of activity or phase, as well as time projections.
- For matters expected to take **more than 12 months**:
 1. a full budget for the whole matter as well as
 2. a budget for the first 12 months (by quarter).

Thereafter, annual budgets (also broken down by quarters) are required. Outside Counsel will update the budget (both for the whole matter and for the next 12 months) to meet Implenia's financial forecasting requirements.

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Relationship Manager: One Outside Counsel is designated as the main point of contact to manage staffing.

Staffing List: Prior to any new engagement a staffing list with task breakdown and billing rates for each timekeeper will be provided to and accepted by Implenia.

Implenia expects staffing of the same timekeeper(s) throughout a matter's duration, to the extent possible. Should a timekeeper give notice to leave or otherwise be replaced, Implenia shall be notified accordingly.

Skills Fit: Use of the most cost-efficient and appropriate staff for a given task.

In general, partners shall not perform and bill work that can be carried out by associates or paralegals; associates shall not carry out and bill work that can be handled by paralegals.

Education and “Ramp-up”: No education or “ramp-up” time for newly staffed timekeepers shall be billed.

Implenia will not pay for interns, summer associates or trainees, unless otherwise specifically agreed in writing and listed in the staffing list.

Legal Service Providers: Engagement of a third-party vendor, alternative legal services providers (ALSP) or external consultant has to be disclosed to and accepted by Implenia.

Implenia requests Outside Counsel to evaluate **alternative legal services providers** where it is appropriate and cost-efficient for a given task, e.g., for discovery related work, translations, investigations etc.

After having obtained the approval by Implenia, formal retention, coordination, instruction and supervision will be effected by Outside Counsel.

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Implenia will provide access to its legal spend and management vendor portal “**Brightflag**” which enables Implenia to take control of legal matters and spend through a central, digitised platform.

It will be used for:

Budgeting and Staffing List: Specification, submission and approval of Outside Counsel’s budget and staffing list.

Management of Invoices: Review and settlement of Outside Counsel legal invoices by Implenia and check of invoice status by Outside Counsel.

Login: <https://enterprise.brightflag.com/login>

Vendor Manuals: <https://help.brightflag.com/hc/en-us/categories/360000276078-Vendors-Law-Firms>

For further instructions or in case of questions with respect to the use of Brightflag, please contact the Implenia Legal Operations Team (legal.operations@implenia.com).

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BILLING

Rates & Increments

Principles

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The **billing rates** are agreed in the framework agreement. The breakdown of tasks on an invoice must be at least in **six-minute (.10) increments**.

Increases of billing rates are only allowed if justified and approved by Implenia in writing at least two months in advance. In general, a rate increase will only be valid from the beginning of a year.

Outside Counsel is encouraged to propose **alternative fee arrangements** to the hourly rate model. We expect them to propose a fixed fee or cost ceiling for their services, where this is possible in the particular matter. The parties will discuss practical alternative billing arrangements for each stage of the matter.

Implenia will not pay for timekeeper hours that exceed **8 hours** for a single day from a single timekeeper, unless such extended work was

- necessary in the context of the matter at hand and
- the work performed during this time is detailed in the respective narrative.

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Meetings and Calls: No more than **one person** shall attend the same meeting, call, witness or expert interviews, hearings or the like, unless the circumstances require otherwise or the participation of more than one timekeeper adds a perceivable value or was otherwise agreed in advance.

Implenia reserves the right to challenge billings of Outside Counsel which have not added any perceivable value to a meeting, call or otherwise and have the respective hours removed from the invoice.

Reviews and Research: Prevent multiple activities by several timekeepers and use the most cost-efficient and appropriate staff for a given task .

Internal Law Firm Communication: Time spent cascading instructions and factual information in its internal organisation shall be used sparingly and efficiently.

Necessary time for strategic meetings, briefings, correspondence or conferences shall be earmarked and included in the budget.

Overhead, Downtime and Business Development: No charges or fees shall be billed for such activities.

The following items are considered to be law firm **overheads** and included in the rates.

- **Secretarial/administrative or pre-sales activities**, such as scheduling, word processing, proofreading, billing, invoicing or the preparation of proposals, engagement letters, budget(s), filings, conflicts of interest checks and related queries;
- Staff **overtime costs**;
- **Data and files management**, such as data entry (e.g. scanning and/or uploading documents) and storage; Storage and retrieval of files (on-site or off-site);

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Implenia will reimburse Outside Counsel for **standard expenses** incurred in the performance of the legal services with a **lump sum of 2%** of the total invoice amount.

Standard expenses include e.g.:

- **Work Equipment and Infrastructure**
- **Communication costs** (wireline, mobile, data and fax charges; Copying charges (except for pre-approved voluminous filings at a rate of 0.10 CHF* per page); postage and courier fees)
- **Literature** (including books, subscriptions, educational and library expenses (including licences and online services))
- **Meals**
- **Local/short Distance Transportation** (use of private cars, parking fees or public transport within a 30 km radius)

* or equivalent in local currency

For **travel** and related **non-standard expenses**, the following applies:

Travel Time: Implenia will not reimburse Outside Counsel for fees billed during travel time. Conference calls or video conferencing must be used whenever possible.

Train: Preferred, first class will be reimbursed by Implenia.

Flight: If necessary due to distance or cost-efficiency, economy class ticket (hand luggage only) will be reimbursed by Implenia.

Implenia expects Outside Counsel to find the most cost-efficient flights and book as far in advance as possible.

Hotel: If overnights are necessary, standard room category in three- or four-star hotels will be reimbursed by Implenia.

Outside Counsel shall reach out to Implenia in advance for a list of hotels with discounted rates.

Any single item or series of items of non-standard expenses that exceed or are likely to exceed **CHF 1'000*** on a single invoice must be pre-approved by Implenia.

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Provider Platform: Submission via Implenia's [vendor portal](#) is mandatory.

Invoicing Date: Invoices must be submitted monthly and **within 30 days** after the end of the respective month.

Exceptionally Outside Counsel and Implenia can agree on quarterly invoicing.

Language: All invoices need to be submitted in **English**.

Details: In general, invoices contain:

- Only one matter per invoice
- An itemized and clear description of the work performed and time spent by each timekeeper
- The rate charged by the timekeeper
- The timekeeper's name and function

Grouping different activities under a single task time entry ("block billing") is not accepted and will be rejected for correction.

Expenses: Out-of-pocket [expenses](#) shall be invoiced **at cost** (net of VAT, if recoverable by Outside Counsel), accompanied by receipts and further details as Implenia may request.

Rejection: Rejected invoices must be resubmitted via Implenia's [vendor portal](#) within 30 days.

Overpayment: Inadvertent payments of invoices, that turn out to be non-compliant with these Billing Guidelines, the framework agreement or an individual engagement shall – in Implenia's discretion - either be reimbursed or set off against future invoices.

Auditing: Implenia may have the Outside Counsel's invoices audited by in-house or external auditors, even if these were already paid. Outside Counsel agrees to cooperate fully with any such audit and will make all necessary receipts and records available to Implenia for this purpose.

Implenia shall give Outside Counsel at least 20 business days' prior notice of such audit.

PREDICTABILITY | TRANSPARENCY | COST EFFECTIVENESS | EFFICIENCY

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WHAT MIGHT BE NEW TO YOU



PLANNING



Budgeting



Staffing List



Timeline



Vendor Portal

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Principles check



Planning review



Standard expenses



Daily billing limit

INVOICING



Online upload



Monthly submission



Invoice language



Status tracking