

Suggestion Program Policy



1. POLICY

- (a) official recognition of suggestion made by employees that will improve [COMPANY]'s performance is encapsulated in the [COMPANY]'s Suggestion Program.

In the [COMPANY's] sole discretion, suggestion which result in positive savings or cost avoidance (after considering the costs of implementation) may be eligible for awards.

Eligibility for awards at the sole discretion of the [COMPANY] may be available from suggestions which result in intangible benefits that improve the quality of life at the company.

- (b) **Suggestion Program Committee**

The composition of the Suggestion Program Committee is as follows:

- Suggestion Program Administrator
 - [four (4)] managers from
 - Production and Operations
 - Quality Control and Assurance
 - Research and Development
 - Engineering
 - Finance
 - Human Resources
 - Material Management
 - Sales and Marketing
 - The Human Resources manager shall be the Suggestion Program Administrator;
 - Initially, [two (2)] members will serve on the Suggestion Program Committee for [eight (8)] months and [two (2)] members will serve for [twelve (12)]
 - Thereafter, each appointee to the Suggestion Program Committee shall be for a period of [twelve (12)] months.
 - At a minimum, to review submitted suggestions, the Suggestion Program Committee shall meet monthly.
 - The [Company] reserves the right to change the terms of the Suggestion Program without notice to any parties.
- (a) **Acceptable suggestions**

Acceptable suggestions must be original and not currently under consideration.
Acceptable suggestions which may be eligible for awards are those that relate to:

- Eliminate the waste of materials, time and energy.
- Improve methods systems or routines in any department that results in savings of material and / or normal or overtime work.
- Improve customer service.
- Improve product quality or product development.
- New ideas in area of activity which results in tangible savings.
- **(b) Ineligible Suggestions**
 - suggestions related to health and safety matters.
 - suggestions for installations, changes or improvements that are, or have been, under active consideration during the **[24 month]** period prior to the suggestion being submitted.
 - duplicate suggestions that have been previously submitted.
 - suggestions that are considered to be related to the suggester's regular job responsibilities as determined jointly by the suggester's immediate supervisor and the Suggestion Program Committee.
 - suggestions regarding machinery or equipment which is known to be operating ineffectively due to any defect which would normally be corrected by maintenance, the manufacturer or supplier.
 - suggestions submitted by persons serving as a current member of the Suggestion Program Committee.
 - suggestions if they concern personal complaints or relate to **[Company]'s** legal duties or responsibilities.
 - suggestions for installations, changes or improvements in new buildings during the first **[six (6)]** months of startup.
- The Suggestion Program administrator shall:
 - Assign a control number to each suggestion and date and time stamp all suggestions.
 - Three step protocol
 - Review each suggestion for compliance with the Program.
 - Ensure the suggestion is not a duplicate.
 - Recommend to the Suggestion Program Committee whether the suggestion is acceptable for consideration.
 - Confirm to the suggester in writing the receipt of the suggestion together with the date and time of receipt.

In case the suggestion is rejected, advise the suggester of the reason(s) of rejection.

- Refer each acceptable suggestion to the Suggestion Program Committee.
- **(a)** The Suggestion Program Committee shall determine the appropriate method of evaluation, assign the suggestion for evaluation when a suggestion is accepted for consideration. The suggester shall be notified by the Suggestion Program Administrator that the suggestion is under active consideration.
- **(b)** within a period of **[sixty (60)]** days, Suggestion evaluators are required to evaluate the assigned suggestion and issue a report to the Suggestion Program Committee. There are the following options:
 - suggestion is Accepted for Implementation.
 - Suggestion is Accepted for Implementation, with Modifications.
 - Suggestion is Held for Further Evaluation.
 - Suggestion is rejected.

(c) The evaluator must specify the modifications and provide and estimate of the cost of modifications.

(d) If suggestions are Held for Further Evaluation, the evaluator must complete the further evaluation with **[sixty (60)]** days.

(e) In the case of Rejected suggestions, the evaluator may state, in writing, the reason for rejection.

(f) The suggester shall be advised in writing by the Suggestion Program Administrator of the disposition of all suggestions submitted to the Suggestion Program Committee and the reasons for the particular disposition.

- Prior to receiving any award, the suggestion(s) will be required to sign a release of intellectual and properly rights. Accepted suggestions become the property of the **[company]**. Rejection of the suggestion, results if the suggester refuses to sign an appropriate release.

- **Rejected suggestions**

(a) Rejected suggestions may be re-evaluated at any time during a period of **[two (2)]** years following its date of submission. The suggester will be notified of the re-evaluation. Suggestions submitted on the same subject will be considered duplicate suggestions and not eligible for consideration, during this **[two (2) year]** period.

- Clarification regarding the intent or purpose of any suggestions can be sought directly from the initiator from the suggestion program committee, an evaluator, or the Suggestion Program Administrator.

- **Suggestion Program Awards**

(a) Suggestions accepted without significant modifications and for which quantifiable savings net of implementation costs have the following formula:

- Awards may be based on the net savings expect over a **[three(3)]** year period (net of implement costs). **[ten (10)]** percent of the calculated net savings, to a maximum of **[\$6000]**, may be awarded to the suggester Within the sole discretion of the Suggestion Program Committee.

(b) Accepted suggestions but with significant modifications and for which quantifiable savings net of implementation costs may be calculated, Suggestions Program awards may be based on the net savings over a **[three (3)]** year period (net of implementation costs). Within the sole discretion of the Suggestion Program Committee, **[five (5)]** percent of the calculated net savings, to a maximum of **[\$3000]** maybe awarded to the suggester.

(c) The Suggestion Program Committee may issue an award with a maximum value of **[\$50.00]**, within the sole discretion of the Suggestion Program Committee in the case of a suggestions having intangible benefits.

(d) The Suggestion Program Committee has the sole discretion and authority as follows:

- Any decisions related to the disposition of a suggestion;
- The determination of a suggestion awards.

2. **PURPOSE**

- The purpose of this statement of Policy and Procedure as follows:
 - To provide a process for employee innovation and input, which results in valuable improvements to **[Company's]** Operations services or products; and.

- To provide official recognition of suggestions made by employees that will improve **[Company's]** overall performance.

3. SCOPE

- This statement of Policy and Procedure applies to all supervisory, non-management employees, full-time, part-time and temporary employees. Management employees are not eligible for any awards in this program.

4. RESPONSIBILITY

- **Suggestion Program Committee**

(a) To ensure all suggestions evaluations are fair, consistent and completed in a timely manner is the responsibility of the Suggestion Program Committee. The suggestion Program administrator shall notify the suggester(s) when the evaluation process is completed.

(b) The responsibility to classify each accepted suggestion remains with the Suggestion Program Committee in one of the four following categories:

- Accepted and quantifiable savings be calculated.
- Accepted but significant amendments to achieve quantifiable savings.
- Accepted but no quantifiable savings can be calculated.
- Suggestion not accepted.

(c) Prior to the acceptance of a suggestion for reward, the suggestion program committee has the responsibility for determining if an accepted suggestion can be implemented and for determining protected cost saving and improvements net of implementation for each suggestion.

- The responsibility for calculating the amount of awards of each suggestion that is implemented resides with the **[Finance Department]** in cooperation with the suggestion Program Committee.
- **Managers have the following responsibilities:**

(a) To the best of their ability, management personal are responsible to adhere to the principles of the suggestion program and cooperate and provide information requested by the suggestion program committee in a timely manner.

(b) To ensure that no employees are disciplined, reprimanded or harassed for participating in the Suggestion Program.

5. DEFINITIONS

None.

6. REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE

None.

7. PROCEDURE

- A suggestion must be submitted on the official Suggestion Submission Form (see Attachment A), with all areas of the form completed, including the names and departments of all authors of the suggestion. The completed Suggestion Submission Form must be submitted to the Suggestion Program Administrator located in the Human Resources department where the Suggestion Submission Form will be date stamped and recorded in the Suggestion Program Committee log book by the Suggestion Program Administrator.
- **(a)** An initial review shall be conducted by the Suggestion Program Administrator to determine the following:
 - **(i)** if the suggestion meets the Suggestion Program eligibility requirements;
 - **(ii)** to ensure all data and information necessary for a full review are included in the submission.
- **(b)** The Suggestion Program Administrator in his or her sole discretion, if any thing is missing in the submission may:
 - **(i)** reject the suggestions;
 - **(ii)** request additional information directly from the suggester(s).
- **(c)** All eligible suggestions shall be referred by the Suggestion Program Administrator to the Suggestion Program Committee.
- The feasibility of the suggestion for implementation shall be reviewed by the Suggestion Program Committee. The Suggestion Program Committee may forward the suggestion to the appropriate department for a full evaluation report which includes a recommendation related to implementation.

The evaluating department shall be provided with the Suggestion Evaluation Guidelines shown in Attachment B along with the suggestion. Based the complexity of the of the suggestion, the Suggestion Program Committee will set evaluation deadlines.

- Each evaluated suggestion shall be classified by the Suggestion Program Committee into one of the following categories:
- Accepted and quantifiable savings may be calculated;
- Accepted but with significant amendments to achieve quantifiable savings;
- Accepted but no quantifiable savings can be calculated;
- Suggestion not accepted.
- The Suggestion Program Committee shall determine the following:
- If a suggestion which has been considered as acceptable can be implemented;
- Potential cost savings and improvements net of implementation costs for each suggestion.
- Suggestion Program Committee decisions are final. If new information becomes available, declined suggestions can be re-evaluated provided the new information significantly alters the original suggestion.
- Prior to receiving any award, employees are required to sign a release of intellectual and property interests. Awards for suggestions submitted jointly by more than one employee will be apportioned equally between submitters.
- Employees who receive financial rewards under the Suggestion Program are taxable income to employee and to be included in T4 slips in the year award is paid.

8. ATTACHMENTS

Attachment A- Suggestion Submission Form

Attachment B – Suggestion Evaluation Guidelines

ATTACHMENT A

SUGGESTION SUBMISSION FORM

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ATTACHMENT A

SUGGESTION SUBMISSION FORM

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ATTACHMENT B

SUGGESTION EVALUATION GUIDELINES

(Page1)



ATTACHMENT B

SUGGESTION EVALUATION GUIDELINES

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ATTACHMENT B

SUGGESTION EVALUATION GUIDELINES

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