



SYSTEM PROCEDURE

Management Responsibility and Authority

REVISION: 03

PROCEDURE NO.: 3

DATE EFFECTIVE: 05/18/22

1. PURPOSE

- 1.1. To establish a procedure that clarifies organizational responsibilities, authorities and management's commitment to the development and implementation of the quality management system and the continual improvement of its effectiveness.

2. SCOPE

- 2.1. This procedure applies to top management and all personnel defined within the Tempco Electric Heater Corporation Quality Management System.

3. PROCEDURAL REQUIREMENTS and RESPONSIBILITIES

- 3.1. Top Management, consisting of the President, Chief Financial Officer, Chief Revenue Officer, Director of Engineering, Director of Manufacturing Operations, and Procurement Manager and his direct reports as defined in the Quality System Manual, are committed to the development, implementation, and continual improvement of the effectiveness of the quality management system by:
 - 3.1.1. Establishing the quality policy and quality objectives,
 - 3.1.2. Ensuring customer requirements are determined and fulfilled with the aim of enhancing customer satisfaction,
 - 3.1.3. Ensuring the availability of resources,
 - 3.1.4. Conducting management reviews, and
 - 3.1.5. Focusing on effectively communicating the following important considerations throughout the organization through periodic company meetings, bulletin boards and with the use of the quality management system documentation and subsequent training and qualification of personnel:
 - 3.1.5.1. The importance of meeting customer requirements.
 - 3.1.5.2. Ensure that its personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives.
 - 3.1.5.3. Effectiveness of the quality management system.



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3.2. Responsibility and Authority

3.2.1. Top management has defined responsibilities, authorities and their interrelationship in the Quality Manual, within each individual System Procedure and in specific work instructions, where applicable. In addition, Human Resource and Qualification Records have been established for management personnel to further clarify their roles and responsibilities.

3.3. The President has appointed the Director of Engineering as the Management Representative, who irrespective of other responsibilities has the responsibility and authority that includes:

3.3.1. Ensuring that processes needed for the quality management system are established, implemented and maintained;

3.3.2. Reporting to top management on the performance of the quality management system and any need for improvement, and

3.3.3. Ensuring the promotion of awareness of customer requirements throughout the organization.

3.4. Customer Focus

3.4.1. Top management ensures that customer requirements are determined, and fulfilled with the aim of enhancing customer satisfaction through the application and implementation of the following System Procedures:

3.4.1.1. Customer Order Review and Approval Process - 9

3.4.1.2. Process Management & Continuous Improvement - 22

3.4.1.3. Corrective Action and Opportunities for Improvement - 21

4. RECORDS

4.1 Periodic department meetings records

4.2 Trends of Quality Metrics / Objectives

4.3 Management reviews



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5. REVISION HISTORY

| REVISION LEVEL | DATE OF REVISION | SECTIONS | DESCRIPTION OF CHANGE |
|----------------|------------------|----------|--|
| 00 | 04/27/09 | All | Initial release |
| 01 | 06/06/14 | 4.1 | Changed wording from minutes to records |
| 02 | 01/29/18 | 3.4 | Was Procedure 5.0. Updated procedure name and numbers in section 3.4 |
| 03 | 5/18/22 | 3.1/3.3 | Updated Top Management in 3.1 and the Management Representative in 3.3 |

6. AUTHORIZATION

| POSITION | HELD BY | AUTHORIZATION SIGNATURE OR INITIALS |
|---|---------------|--|
| Prepared By: Director of Engineering | Samir Patel |  |
| Senior Management Representative: Chief Financial Officer | Paul Wickland |  |
| Management Representative: | Samir Patel |  |