	SYSTEM PROCEDURE	
	Process Management & Continuous Improvement	
REVISION: 11	PROCEDURE NO.: 22	DATE EFFECTIVE: 06/05/25

1. PURPOSE

1.1 To establish the quality system requirements for planning, implementing, and maintaining the monitoring, measurement, analysis and improvement processes.

2. SCOPE

2.1 This procedure applies to all of the processes defined within the Tempco Electric Heater Corporation Quality Management System.

3. PROCEDURAL REQUIREMENTS and RESPONSIBILITIES

3.1 Quality Management System processes are measured and monitored through the voice of the customer, internal audits, business measures used as a basis for quality objectives and the management review process. These measurements monitor information relating to customer perception of Tempco Electric Heater Corporation's performance in meeting customer requirements and demonstrate the ability of the processes to achieve planned results. When planned results are not achieved, correction and corrective action will be taken, as appropriate, to ensure conformity of the product.


3.2 The data generated as result of the monitoring and measurement of these processes, and other relevant sources, shall be collected and analyzed to demonstrate the suitability and effectiveness of the Quality Management System and to evaluate where continuous improvement of the effectiveness of the system can be made. This shall include determination of applicable methods, including statistical techniques, and the extent of their use (e.g. pareto charts, histograms).

3.3 Within the overall business strategy, Tempco Electric Heater Corporation has embraced a continuous improvement philosophy, which prioritizes opportunities for improvement. The President, Chief Financial Officer, Chief Revenue Officer, Director of Engineering and/or Director of Operations have the primary responsibility for establishing continuous improvement initiatives and ensuring the necessary resources for successful implementation are provided.

3.4 These continuous improvement efforts have a direct interrelationship with the following Quality Objectives, which are measurable, consistent with the quality policy and established at relevant functions and levels within the organization:

- Maintain our ISO Certification on an ongoing basis
- Improve our On-Time Deliveries
- Reduce nonconforming product in final inspection and maintain the related scrap to a level not exceeding 2%
- Maintain customer returns caused by Tempco at a level not exceeding 1% of line items shipped
- Maintain RMA (customer returns) processing time at a level not exceeding 6 Days
- Evaluate and develop a revised pricing structure for process heaters
- Integrate continuous improvement in process equipment, the infrastructure and human capital

3.5 Initiatives and actions items supporting achieving these Quality Objectives and integrating Continuous Improvement will be periodically reviewed and documented by Top Management and during management reviews.

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The controls to continuously improve the effectiveness of the Quality Management System are defined within this procedure and in the following supporting System Procedures:

- 3.6.1 Purchasing Process - 12
- 3.6.2 Internal Audit Procedure - 18
- 3.6.3 Monitoring and Measurement of Product - 19
- 3.6.4 Corrective Action and Opportunities for Improvement - 21


3.7 These System Procedures have been developed to ensure data is collected and analyzed to provide information on the voice of the customer, conformance to product requirements, characteristics and trends of processes and products, including opportunities for preventive action and supplier performance. The responsibilities for collecting and analyzing this data, as well as for integrating continuous improvement is defined within each procedure.

4. RECORDS

- 4.1. Management system reviews
- 4.2. Quality Objectives performance data and/or trends.


5. PROCESS FLOW CHART

The sequential steps for the formal continuous improvement process are presented in flowchart format on the next page. The function and/or position responsible for the activity in the flow is identified outside the initial activity. This responsible function and/or position continues until a change is identified. The function of a decision or option requires the responsible function and/or position be identified.

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6. REVISION HISTORY

REVISION LEVEL	DATE OF REVISION	SECTIONS	DESCRIPTION OF CHANGE
00	04/27/09	All	Initial release
01	06/08/11	3.4	Revised 3.4.1, 2 and 3 to match quality objectives
02	06/27/11	3.4	Revised 3.4.2
03	06/01/12	3.4	Revised 3.4
04	06/06/14	3.4	Added missing objective
05	05/19/16	3.4	Added new objectives instituted in June 2015
06	05/26/17	3.4	Rewrote bullet points 4 & 6 to match QC manual and TIC.
07	01/29/18	3.6	Was Procedure 8.5.1. Updated procedure numbers in section 3.6.
08	05/07/21	3.3, 3.4	Replaced and updated Job Titles Replaced Quality Objective 6
09	06/03/21	3.4	Replaced Quality Objective 5
10	06/02/22	3.4	Updated Quality Objective 5
11	06/05/25	3.4	Updated Quality Objectives: 3 and 5 Updated Logo to current Tempco standard logo

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7. AUTHORIZATION

POSITION	HELD BY	AUTHORIZATION SIGNATURE OR INITIALS
Prepared By: Director of Engineering	Samir Patel	<i>Samir Patel.</i>
Senior Management Representative: Chief Financial Officer	Paul Wickland	<i>Paul Wickland</i>
Management Representative:	Samir Patel	<i>Samir Patel.</i>



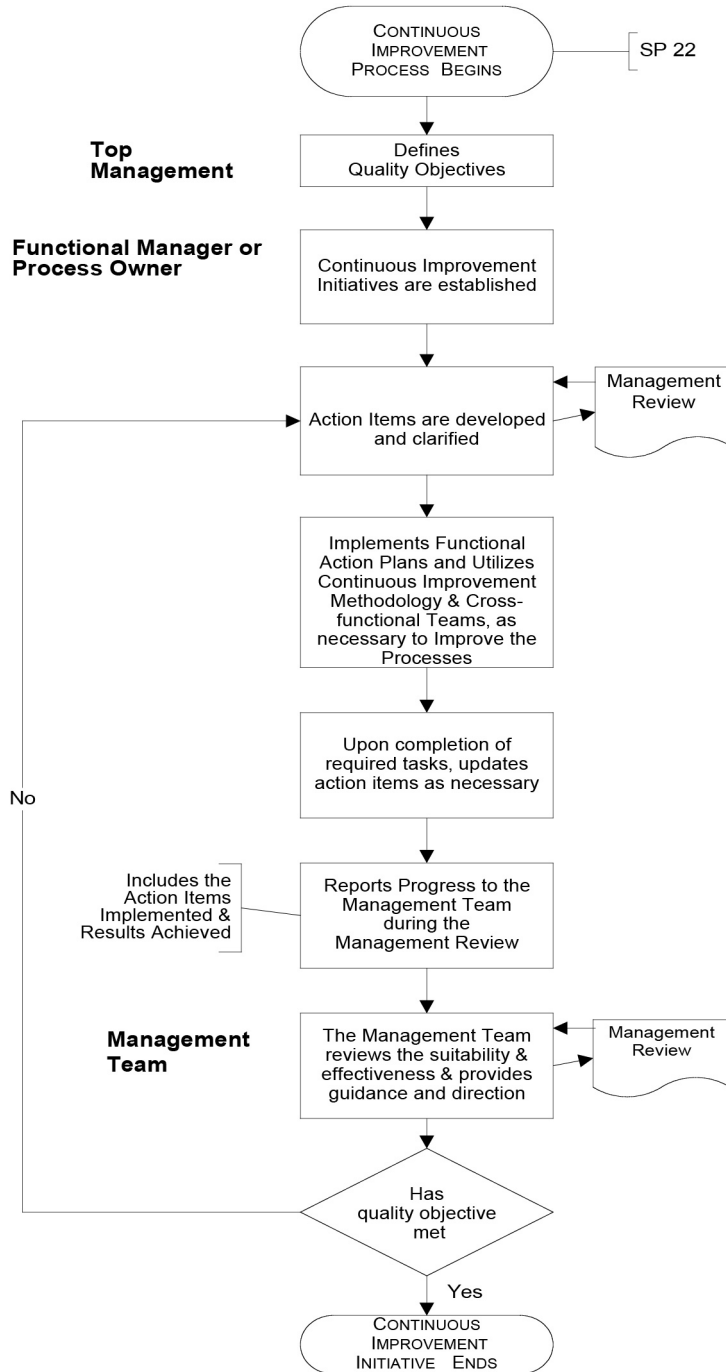
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