

Quality System Manual

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AUTHORIZED BY:



PRESIDENT



MANAGEMENT REPRESENTATIVE

Quality System Manual

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I. GENERAL

It shall be the policy of **Tempco Electric Heater Corporation** to not distribute controlled copies of this manual outside the business entity except for those organizations (e.g., ISO Registrar, Customers, etc.) requiring this control. A request must be formally submitted to the Management Representative or the President of **Tempco Electric Heater Corporation** for permission to be placed on controlled distribution, unless it is contractually required.

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II. SCOPE

The scope of the Quality System is the “Design, Development and Manufacture of Electric Heating Elements, Temperature Controllers, Power Controllers, Electric Control Panels, Temperature Sensors Thermal Loop Components and Turnkey Process Heating Systems.” The Post-delivery Provision (PAR. 8.5.1.h) portion is an exclusion to **Tempco Electric Heater Corporation** Quality Management System. The post-delivery activities are excluded from the scope of the Quality Management System due to the fact that title transfers to the Customer at source and there are no contractual requirements for post-delivery activities.

System Procedures have been established to implement the Quality System Requirements of this Quality System Manual and are identified on page 7.

III. **Tempco Electric Heater Corporation ’s External and Internal Issues and Interested Parties**

Tempco Electric Heater Corporation has determined its external and internal issues that are relevant to our purpose and strategic direction and that affect our ability to achieve the quality objectives of our quality management system by using a Strengths, Weakness, Opportunities and Threats/Risks (SWOT) analysis, as well as including additional opportunities identified by relevant personnel. The identified issues are used by Tempco Electric Heater Corporation to prioritize risks and opportunities.

The process for managing risks and opportunities are defined within the Risk and Opportunity Management Process Procedure 7. This risk and opportunity management process provides for a structured and systematic approach that ensures that risks are identified, prioritized, actions are identified and implemented and evaluated for their effectiveness using the Tempco Electric Heater Corporation Risk Mitigation and Opportunity for Improvement Matrix.

In addition, Tempco Electric Heater Corporation has determined the interested parties that are relevant to our quality management system by establishing and maintaining the following Interested Parties Matrix that identifies the Tempco Electric Heater Corporation interested parties that are relevant to the quality management system and documents their requirements, process performance measures and frequency of analysis and process owner responsibility.

Tempco Electric Heater Corporation Interested Parties Matrix

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No	Interested Parties	Requirements	Process Performance Measures Frequency of Analysis	Responsibility
1	Customers	On-time Delivery Quality Lead Time Pricing ISO 9001 Registration Timely quoting Technical support	On-Time Delivery Report – Reviewed Monthly Voice of the Customer – Reviewed Case by Case - Periodic Customer Report Cards - Customer Complaints Voice of the Customer – Reviewed Case by Case - Periodic Customer Report Cards - Customer Complaints - Capture Customer Requests Customer RMA's – Reviewed Quarterly Case by Case & Competitive Analysis Internal Standards / Case by Case & Competitive Analysis Maintain ISO 9001 Registration Evaluate and Develop a Revised Pricing Structure for Process Heater – Reviewed Semi Annually Provided on a Case by Case basis	Management Review Committee
2	Suppliers	On-time Delivery Quality Cost General Terms & Conditions	Internal Performance Measures - On-Time Delivery - Quality – Number of Supplier Product N/C's Case by Case Supplier Quality Expectations Acceptable Transaction Terms & Conditions	Purchasing
3	Employees / Management	Payroll Benefits Job Specific Competency Requirements Effective Communication Quality Objectives Morale	Payroll Met Current Benefits Package Provided Training Required/Provided/HRQR's Communication Process Defined/ Implemented Intranet / Monthly Meetings / Email / Information Screens & Postings Quality Objectives Results / Intranet / Screens & Postings and Personal Performance Reviews Employee Surveys	Finance / Human Resources Human Resources / Management / Media Group Management Review Committee Human Resources
4	Regulatory & Certification Bodies	OSHA UL / CSA	Incident Rate / Annual Summary / OSHA 300 Log Safety Bingo Product Summary Sheet with UL & CSA Certifications Periodic UL & CSA Audits	Human Resources Engineering
5	Shareholders	Mitigation of Risk Annual Forecasts Company Performance	Risk Management Process Defined/Implemented Sales Goals Annual Financial Statements	Board of Directors

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TEMPCO ELECTRIC HEATER CORPORATION

IV. QUALITY POLICY

Tempco is committed to satisfying all applicable requirements and earning our customers' loyalty by providing innovative solutions, engineering expertise, custom manufacturing capabilities and exceptional customer service in an environment that supports teamwork, employee training and continuous improvement.

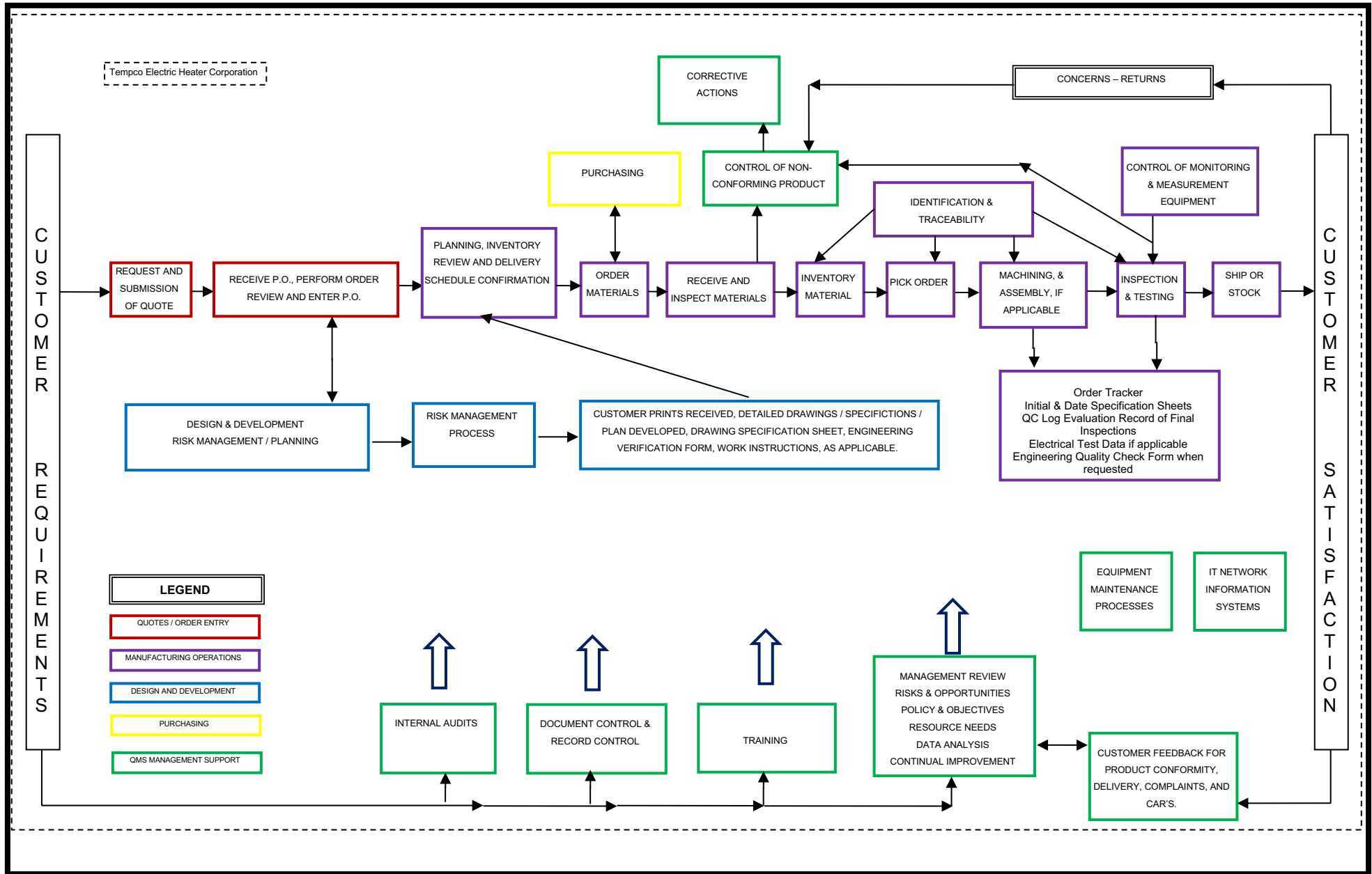
V. QUALITY OBJECTIVES

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

VI. PROCESS INTERACTION DIAGRAM

An Interaction MAP of the management system processes is displayed below. Within this management system Tempco Electric Heater Corporation has identified the required processes, their application, sequence and interaction, and has determined methods and criteria to ensure that these processes are effective. This management system provides the means for Tempco Electric Heater Corporation to ensure that the necessary resources are available, and that the processes are monitored, measured and analyzed, and action is taken to ensure that the planned results and continual improvement of these processes are effectively implemented. All quality management processes, including any that are outsourced, are managed in accordance with this management system.

VI. Description of the Interaction Between Tempco Electric Heater Corporation's Key Processes of the Quality Management System



VII. MANAGEMENT SYSTEM AND PROCEDURES

System Procedures have been established to implement the Quality System Requirements of this Quality System Manual, and they define **Tempco Electric Heater Corporation** inter-departmental processes necessary to satisfy the expectations and requirements of our customers. The compliance listing below provides a summary analysis of the System Procedures as they relate to the ISO 9001:2015 Standard.

COMPLIANCE LISTING of SYSTEM PROCEDURES							
System Procedure		ISO 9001:2015 System Requirements					
No.	Title	No.	No.	No.	No.	No.	No.
1	Control of Quality System Documentation & Data	7.5.1	7.5.2	7.5.3			
2	Quality Records	7.5.3					
3	Management Responsibility & Authority	5.1	5.2	5.3	6.2	7.1.3	9.1
4	Communication	7.4					
5	Management Review	5.1	5.2	5.3	7.1.1	7.1.2	7.1.3
		7.1.5.1	9.1	9.3	10.3		
6	Preventive Maintenance	7.1.3	7.1.4				
7	Risk and Opportunity Management Process	6.1	10.1				
8	Competence, Awareness & Training	7.1.6	7.2	7.3			
9	Customer Order Review Process	8.2					
10	Production Planning & Scheduling	8.5.1					
11	Design Control	8.3	8.5.6				
12	Purchasing Process	8.4					
13	Purchasing Information	8.4					
14	Control of Production	7.1.4	7.1.5.1	8.1	8.5	8.6	9.1.1
15	Product Identification & Traceability	8.5.2					
16	Customer Property	8.5.3					
17	Control of Monitoring and Measuring Devices	7.1.5					
18	Internal Audit	9.2					
19	Monitoring and Measurement of Product	7.1.5.1	8.1				
20	Control of Nonconforming Product	8.7	10.2				
21	Corrective Action & Opportunities for Improvement	10.1	10.2	10.3			
22	Process Management & Continuous Improvement	10.1					

VIII. CHANGE SUMMARY PAGE

ISSUE DATE	DESCRIPTION OF CHANGE
May 5, 2009	Initial Release to ISO 9001:2008
June 27, 2011	Page iv Revised Quality Objective related to reducing nonconforming product
October 1, 2013	Added Quality Objective Number 5 on page iv
June 10, 2015	Added New Quality Objectives “Reduce RMA...” & “Reduce RFQ...”, and revised language on customer returns
July 7, 2017	Added New Quality Objectives “Reduce RMA processing time” and “Reduce RFQ processing time”. Revised language of quality objectives “Continue to reduce nonconforming product...” and “Maintain Customer Returns caused by <u>Tempco...</u> ”
January 4, 2018	Complete re-write to upgrade to ISO 9001:2015
May 29, 2018	Updated Quality Objectives
June 12, 2019	Added Tempco Header to first page, updated the Management Representative, added “Evaluate and Develop a Revised Pricing Structure for Process Heater – Reviewed Semi Annually;” to Interested Partied matrix No. 1, added page numbers to all pages, updated Tempco Quality Policy and Objective No. 6.
June 3, 2021	Updated Objective No. 5 to “Maintain RMA (customer returns) processing time at a level not exceeding 10 Days” from Reduce RMA (customer returns) processing time
June 2, 2022	Updated Objective No. 5 to “Maintain RMA (customer returns) processing time at a level not exceeding 8 Days” from Reduce RMA (customer returns) processing time processing time at a level not exceeding 10 Days”.
June 5, 2025	Updated Objective No. 3 to “Reduce nonconforming product in final inspection and maintain the related scrap to a level not exceeding 2%” from “Reduce nonconforming product in final inspection and maintain the related scrap to a level not exceeding 4%” Updated Objective No. 5 to “Maintain RMA (customer returns) processing time at a level not exceeding 6 Days” from “Maintain RMA (customer returns) processing time at a level not exceeding 8 Days”