

Exhibit A: Work Phase Description

Applicable Documentation

Contractor shall perform the Work in accordance with the following Exhibits. The Exhibits are incorporated into the Contract and binding on the parties.

1. Exhibit B – TMT M1 Polished Segment: M1S-001-01000 Rev J (“Hexing Drawing”)
2. Exhibit C – TMT M1 Intermediate PMA Assembly Drawing: M1S-01-05000 Rev C (“Integration Drawing”)
3. Exhibit D – TMT M1 Polished Roundel: M1S-001-01001 Rev F
4. Exhibit E – Bond Procedure: TMT.OPT.TEC.16.001
5. Exhibit F – Integration Procedure: TMT.OPT.TEC.19.013
6. Exhibit G – TMT M1 Bonded Mirror Assembly: M1S-001-04000

Reference Documentation

Reference documentation (“RD”) is provided for reference purposes only and is not incorporated into the Work as part of the Contract.

1. RD1 – Roundel Polishing Specification: TMT.OPT.SPE.15.002
2. RD2 – TMT Segmentation Database: TMT.OPT.TEC.07.044
3. RD3 – Specification for Finished Primary Mirror Segments: TMT.OPT.SPE.07.002
4. RD4 – M1 Segment Finished Segment Specification - Vendor Table: TMT.SEN.TEC.12.002
5. RD5 – TMT M1 Overview Document: TMT.OPT.TEC.09.003
6. RD6 – Quality Assurance Plan: TMT.PMO.MGT.10.008

Statement of Work

1. Phase 1, Planning and Development

- A. Contractor shall meet with TMT for a Kick-Off Meeting at a location to be agreed upon by the Parties. The Kick-Off Meeting shall include, at a minimum, Contractor’s program manager and lead engineers for the Work. The Kick-Off Meeting shall include:
 - i. A presentation by Contractor of the Project Plan (defined below);
 1. A presentation by Contractor of the plans for facilitization (and any prototype fabrication needed) to prepare for production of polished glass Roundels into machined segments of 33 types designated by TMT (collectively, the “Machined Segments”);
 2. In the event TMT exercises the Integration Option, a presentation by Contractor of the plans for facilitization (and any prototype fabrication

needed) to prepare for production of integrated PMAs (collectively, the “Integrated Segments”);

3. A presentation by Contractor of the plans for the Quality Assurance Plan that will be followed as part of the Work, including preliminary plans for a fabrication readiness review that will demonstrate that the Contractor is ready to commence with the fabrication of the Machined Segments (“FRR”) and metrology methods to be implemented during the production of the Machined Segments (“Production”); and

4. Production Schedule

- ii. Discussion of any other issues affecting commencement of the Work.

B. The Project plan (“Project Plan”) shall consist of:

- i. A Work Breakdown Structure (“WBS”) of all of the Deliverables necessary to complete the Work, including but not limited to the development, tooling procurement, prototype or subscale testing, fabrication, acceptance testing, packaging, and transportation of the completed segments with sub-tasks described including duration, milestone definitions, and resources required for each task;
- ii. A schedule which shows when each task will be started and completed;
- iii. A schedule listing when the “Deliverable Data Packages” will be submitted to TMT for review and approval (this may be included in the main schedule of the Project Plan);
- iv. A list of the personnel, equipment, space, and other resources that will be used to complete the Work including those that are not otherwise specified in the WBS.

C. Contractor shall submit an outline of the Quality Assurance Plan and a description of how it will be applied to the Work (“QA Outline”). At a minimum, the QA Outline shall comply with the requirements of the AD 11, TMT Quality Assurance Plan and contain the following:

- i. Plans for the FRR;
- ii. Plans for prototype or subscale fabrication;
- iii. Plans for methods used to create acceptance data packages;
- iv. Plans for quality control of procured parts;
- v. Plans for inspection and verification of Production parts;
- vi. Plans for calibration of measurement and test equipment;
- vii. Identification of operations to be witnessed by a Quality Control representative.

2. Phase 2, Facilitization – Hex Cut Machining

- A. Contractor shall develop all the glass-ceramic machining processes and tooling needed to produce the Machined Segments: Types 2, 21, 28-54, and 59-62 inclusive.
- B. Execute Prototype and Subscale Fabrication in accordance with the QA Outline.
- C. Contractor shall prepare FRR documentation as described in the following section.

3. Phase 3, FRR - Hex Cut Machining

- A. Contractor shall prepare documentation to communicate all information necessary to demonstrate that it is ready to commence with the fabrication of the Machined Segments (collectively, the "FRR Documentation"). Contractor shall present the FRR Documentation as scheduled in the Project Plan. Nominally, the presentation will occur at the Contractor's facility. Contractor shall notify TMT of the date for the FRR at least four weeks before the FRR is scheduled. Contractor shall provide TMT with all FRR Documentation at least two weeks prior to the FRR. The purpose of the FRR is to evaluate the readiness of the Contractor to initiate Production of Machined Segments. At a minimum, the FRR shall provide TMT with the following regarding Production:
 - i. Details of any applicable error budgets associated with metrology, tooling, and machining accuracies;
 - ii. Metrology/inspections and verification plans for the Hexing Drawing;
 - iii. Technical details of processing equipment and methods with sufficient information to ensure TMT can confirm processing parameters are not changed over the course of Production;
 - iv. Process qualification results achieved on prototype and subscale trials;
 - v. A detailed schedule for the Work;
 - vi. A presentation of the risk analysis with corresponding mitigation approaches for all aspects of the Work including:
 - 1. Management risks (eg. cost, schedule, etc.);
 - 2. Performance risks (eg. component and/or ICD non-compliance);
 - 3. Equipment Hazards (eg. test equipment safety, segment safety, etc.);
 - 4. Personnel Hazards (eg. human injury)
 - vii. A "Compliance Matrix" certifying that all of the requirements contained within the Hexing Drawings are capable of being met. This Compliance Matrix shall not be construed as giving Contractor permission to deviate from the Hexing Drawing provided by TMT. The Compliance Matrix is for reference purposes only and is provided as a means to generate discussion about potential concerns and resolutions related to the Contractor meeting the specifications in the Hexing Drawing. TMT's review of the Compliance Matrix shall not be taken by the Contractor as TMT's acceptance or tolerance of any noncompliance referenced in the Compliance Matrix. The Compliance Matrix shall include, but is not limited to, a "Compliance Matrix Report" detailing (1) any potential noncompliance, (2) any other technical or interface issues that may need to be

resolved during the final design effort, and (3) proposed methods of resolving these issues if they occur.

- x. A preliminary description and discussion of the factory testing plans with an overview of any special equipment that will be required to test the Machined Segments
 - xi. A preliminary description and discussion of the packaging, storage, and transportation plans for the Machined Segments.
- B. The FRR is advisory in nature and shall not relieve Contractor of any responsibility for the successful completion of the Work in conformity with the Hexing Drawing. Similarly, comments or discussions during the FRR shall not be construed as modifying or waiving any of the specifications defined in the Hexing Drawing or relieving Contractor of any obligations under this Contract.
- C. Within fifteen (15) work days after the FRR, TMT will send to Contractor an "FRR Report" based on the FRR committee's recommendations, questions, and comments. In this FRR Report, TMT may direct Contractor, in writing, to make changes to the FRR Documentation that are required to make it consistent with the Hexing Drawing and this SOW. Contractor shall promptly contact TMT if it feels that any requested changes are beyond the scope of this Contract. Within fifteen working days after receipt of the FRR Report, Contractor shall submit a written reply to the FRR Report with point by point responses to each of the recommendations, questions, and comments. Contractor shall incorporate all directions to make changes to the FRR Documentation and submit the revised FRR Documentation for TMT's review and approval. Once all requested changes to the FRR Documentation are implemented, TMT will review the FRR Documentation and notify Contractor if it is approved. All changes to the SOW stemming from the FRR Documentation approved by TMT will then be incorporated through an amendment to this Contract.

4. Phase 4, Procurement and Fabrication – Hex Cut Machining

- A. Contractor shall not begin fabricating any segment until Contractor passes the FRR. Contractor shall pass the FRR once all of the FRR Documentation is approved by TMT in writing. Once the FRR is passed, the FRR Documentation will become the "Production Documentation." The Production Documentation shall also include the Hexing Drawing.
- B. Contractor shall not be entitled to any extensions of time or adjustments to the Firm Fixed Price of the Contract because of modifications to the fabrication procedures/tooling that are reasonably necessary to ensure compliance with the Hexing Drawing because the Parties stipulate that such modifications are already within the scope of the Work by default.
- C. Contractor shall fabricate the Machined Segments by the dates provided in the Production Documentation.

- D. "Roundels" are the polished mirror roundels. Contractor shall be responsible for arranging and executing the shipment of Roundels to the Contractor's facility. Once a Roundel is successfully machined, it shall become a Machined Segment.
- E. For each segment, Contractor shall inspect the Roundel after arrival at the Contractor's facility. If any discrepancy or issue is discovered with the shipping container or Roundel, Contractor shall promptly notify TMT.
- F. After completing the machining of each Roundel, the Contractor shall maintain each Machined Segment in a secure location to ensure it stays in a safe state where it can be available for TMT inspection as needed.
- G. After completing machining of each Roundel in a Machined Segment, TMT shall be given notice of the completed machining work for the purpose of enabling the timely inspection of the Final PMA by TMT. If an inspection is requested by TMT, TMT will perform the inspection within fifteen (15) days of its receipt of notice of the completion of the machining.
- H. Once a Roundel completes the machining process, it is a "Provisional Segment." Once a Provisional Segment is accepted by TMT as being compliant with the Hexing Drawing, it shall be considered a Machined Segment.
- I. By the date(s) provided in the Project Plan, Contractor shall complete all inspections of the Machined Segments as provided in the FRR Documentation and shall deliver the reports to TMT giving the results of these tests and inspections, collectively referred to as the "Conformance Documentation." TMT shall review the Conformance Documentation and within thirty (30) working days, TMT shall determine whether the test and inspection results indicate that a Provisional Segment meets the Hexing Drawing. If a Provisional Segment is accepted as a Machined Segment, TMT shall give Contractor written authorization to package and ship the Machined Segment (or if the option for assembly is selected by TMT, to proceed with integration). If TMT has questions or concerns about the Conformance Documentation, TMT will give Contractor a list of the deficiencies that need to be rectified, and/or additional testing that needs to be performed, before the Provisional Segment can be accepted by TMT as a Machined Segment and shipped for delivery to TMT. If TMT submits a list of deficiencies or requires additional testing, Contractor shall promptly remedy all of the deficiencies identified on this list and submit revised test/inspection results for the Provisional Segment to TMT for approval.

5. Phase 5, Pre-shipment Approval of Machined Segments

- A. Phase 5 is only applicable if the Integration Option is not exercised by TMT. If the Integration Option is not exercised by TMT, Contractor shall disregard Sections 6 and 9 to complete the fabrication and shipment of the Machined Segments.

- i. If the Integration Option is exercised by TMT, Contractor shall disregard Section 5 of this Exhibit A to complete the fabrication and shipment of each Final PMA.
 - B. By the date provided in the Project Plan and at least ninety (90) days prior to the first shipment of a Machined Segment, Contractor shall submit a draft packaging and transportation plan. The draft packaging and transportation plan shall be subject to review and approval by TMT before it is implemented for the Machined Segments. Once the draft packaging and transportation plan is approved by TMT, it shall be considered the "Packaging and Transportation Plan" that will govern the delivery of the Machined Segments.
 - C. TMT will provide a response with regard to acceptability of the draft packaging and transportation plan within fifteen (15) working days of its receipt by TMT. The response will either indicate that the draft packaging and transportation plan is (1) approved, (2) that it is approved contingent upon certain changes, or (3) that it must be revised and resubmitted. Contractor expressly understands and agrees that the review and approval of the Packaging and Transportation Plan by TMT shall not relieve Contractor of any of its Contract obligations including, but not limited to, the responsibility to perform the Work in conformity with this Contract.
 - i. Contractor can temporarily store Machined Segments at the Contractor's facility using the shipping container that the Roundels were originally shipped in to the Contractor's facility.
 - ii. The Parties stipulate that part of the Packaging and Transportation Plan will include, but is not limited to, the Contractor modifying the foam inserts in the shipping containers to keep Machined Segment secure during shipping if delivery of the Machined Segments is selected by TMT.
6. Phase 6, Facilitization – Integration
- A. Phase 6 of the Work is only applicable if TMT exercises the Integration Option.
 - B. Contractor shall develop all the bonding and assembly processes as well as the tooling needed to produce the Final PMA: Types 2, 21, 28-54, and 59-62 inclusive.
 - C. Execute Prototype and Subscale Fabrication in accordance with the Project Plan.
 - D. Contractor shall prepare FRR documentation as described in the following section.
7. Phase 7, Integration Fabrication Readiness Review – PMA Integration
- A. Phase 7 of the Work is only applicable if TMT exercises the Integration Option.
 - B. In the event that TMT exercises the Integration Option, Contractor shall execute the Work to integrate Machined Segments with segment support assemblies ("SSA") to produce polished mirror assemblies ("PMA"). The Work of integrating the SSA and

Machined Segments into a PMA shall be referred to as the "Integration." In the event that TMT exercises the Integration Option, Production shall include both the Hexing and Integration.

- C. For the Integration, Contractor shall organize and host an Integration fabrication readiness review ("IFRR") to evaluate the readiness of the Contractor to initiate and complete the Integration.
 - i. Contractor shall present the IFRR Documentation as scheduled in the Project Plan. Nominally, the presentation will occur at the Contractors facility. Contractor shall notify TMT of the date for the IFRR at least four (4) weeks before the IFRR is scheduled to take place. Contractor shall provide TMT with all IFRR Documentation at least two weeks prior to the IFRR. The IFRR shall at a minimum contain:
 - 1. Details of any applicable error budgets associated with metrology, tooling, and machining accuracies;
 - 2. Metrology/inspections and verification plans for the Integration Drawing,
 - 3. Technical details of processing equipment and methods with sufficient information to ensure TMT can confirm processing parameters are strictly followed and not modified or deviated from over the course of Production,
 - 4. Process qualification results achieved on prototype and subscale trials;
 - 5. Personnel Training Plan for Bonding and Assembly by Contractor;
 - 6. Functional Test Plan after each SSA is installed onto segment to ensure that the warping harness components are functional. For the purposes of this RFP, please note that TMT will provide the test set.;
 - 7. A detailed Integration schedule;
 - 8. A presentation of the risk analysis with corresponding mitigation approaches for all aspects of the Integration including, but not limited to, the following:
 - a. Management risks (e.g. cost, schedule, etc.);
 - b. Performance risks (e.g. component and/or ICD non-compliance);
 - c. Equipment Hazards (e.g. test equipment safety, segment safety, etc.);
 - d. Personnel Hazards (e.g. human injury)
 - ii. A "Compliance Matrix" certifying that all of the requirements contained within Exhibits E and F (collectively, the "Bonding and Integration Drawings") are capable of being met. This Compliance Matrix shall not be construed as giving Contractor permission to deviate from the specifications provided by TMT in the Bonding and Integration Drawings. The Compliance Matrix only provides for an efficient means of disclosure of failures to meet the specifications in the Bonding and Integration Drawings. The Compliance Matrix shall be accompanied by a report detailing (1) any noncompliance noted, (2) any other technical or interface issues that will need to be resolved during the final design effort, and (3) proposed methods of resolving these issues.
- x. A preliminary description and discussion of the factory testing plans with an overview of any special equipment that will be required to test the segments;

- xi. A preliminary description and discussion of the packaging, storage, and transportation plan.
- B. The FRR is advisory in nature and shall not relieve Contractor of any responsibility for the successful completion of the Work in conformity with the Bonding and Integration Drawings. Similarly, comments or discussions during the FRR shall not be construed as modifying or waiving any of the specifications defined in the Bonding and Integration Drawings or relieving Contractor of any obligations under this Contract. The Bonding and Integration Drawings may only be modified by means of a written amendment to this Contract.
- C. Within fifteen (15) work days after the FRR, TMT will send to Contractor an "FRR Report" based on the FRR committee recommendations, questions and comments. In this FRR Report, TMT may direct Contractor, in writing, to make changes to the FRR Documentation that are required in order to make it consistent with the Bonding and Integration Drawings and this SOW. Contractor shall promptly contact TMT if it feels that any requested changes are beyond the scope of this Contract. Within fifteen working days after receipt of the FRR Report, Contractor shall submit a written reply to the FRR Report with point by point responses to each of the recommendations, questions and comments. Contractor shall incorporate all directions to make changes to the FRR Documentation and submit the revised FRR Documentation for TMT's review and approval. Once all requested changes to the FRR Documentation are implemented, TMT will notify Contractor in writing that the FRR Documentation is approved. All changes to the SOW stemming from the FRR Documentation will then be incorporated through an amendment to this Contract.

8. Phase 8, Production and Fabrication – PMA Integration

- A. Phase 8 of the Work is only applicable if TMT exercises the Integration Option.
- B. Contractor shall not begin integrating SSAs with Machined Segments until the Contractor passes the IFRR. Contractor shall pass the IFRR once all of the IFRR Documentation is approved by TMT in writing. Once the IFRR is passed, the IFRR Documentation will be incorporated into (and supplement) the Production Documents (including, but not limited to, the Integration Drawing).
- C. Once TMT approves the IFRR Documentation, Contractor shall finalize all procedures and instructions necessary for production of segments in accordance with the supplemented Production Documentation.
- D. TMT will deliver an SSA and a PMA Kit to the Contractor for each M1 Intermediate PMA to be created. The shipping container that used to ship the SSA to the Contractor shall be re-used to ship the completed PMA to the delivery location designated by TMT.
- E. Contractor shall unpack, inspect, and test SSA equipment prior to incorporating the

equipment in the M1 Intermediate PMA(s). **(For the purposes of this RFP, Please note that TMT shall provide the test set, procedure, and training for the functional test to the Contractor.)** If during the course of inspection, the Contractor uncovers damage or another anomaly in the SSA(s), Contractor shall promptly document the feature and circumstances that resulted in the anomaly and promptly notify TMT, transmitting this information

- F. Contractor shall assemble M1 Intermediate PMA(s) by the dates provided in the Project Plan.
 - G. After integrating the Machined Segment and the SSA into a Final PMA, the Contractor shall maintain each Final PMA in a secure location to ensure it stays in a safe state where it can be available for TMT inspection as needed.
 - H. After completing a Final PMA, TMT shall be given notice of the completed Integration work for the purpose of enabling the timely inspection of the Final PMA by TMT. If an inspection is requested by TMT, TMT will perform the inspection within fifteen (15) days of its receipt of notice of the completion of the Integration.
 - I. Once the Integration process is completed, the PMA is a "Provisional PMA." Once a Provisional PMA is accepted by TMT as being compliant with the Integration Drawing, it shall be considered a "Final PMA."
 - J. By the date(s) provided in the Project Plan, Contractor shall complete all inspections of the Provisional PMA as provided in the Production Documentation and shall deliver the reports to TMT giving the results of these tests and inspections, collectively referred to as the "Conformance Documentation." TMT shall review the Conformance Documentation and within thirty (30) working days, TMT shall determine whether the test and inspection results indicate that a Provisional PMA meets the Integration Drawing. If a Provisional PMA is accepted as a Final PMA, TMT shall give Contractor written authorization to package and ship the Final PMA. If TMT has questions or concerns about the Conformance Documentation, TMT will give Contractor a list of the deficiencies that need to be rectified, and/or additional testing that needs to be performed, before the Provisional PMA can be accepted by TMT as a Final PMA and shipped for delivery to TMT. If TMT submits a list of deficiencies or requires additional testing, Contractor shall promptly remedy all of the deficiencies identified on this list and submit revised test/inspection results for the Provisional PMA to TMT for approval
9. Phase 9, Pre-shipment Approval of the Final PMA
- A. Phase 9 of the Work is only applicable if TMT exercises the Integration Option.
 - B. By the date provided in the Project Plan and at least ninety (90) days prior to the first shipment of a Final PMA, Contractor shall submit a draft packaging and transportation plan. The draft packaging and transportation plan shall be subject to review and approval by TMT before it is implemented for the Final PMA. Once the

draft packaging and transportation plan is approved by TMT, it shall be considered the "Packaging and Transportation Plan" that will govern the delivery of each Final PMA.

- C. TMT will provide a response with regard to acceptability of the draft packaging and transportation plan within fifteen (15) working days of its receipt by TMT. The response will either indicate that the draft packaging and transportation plan is (1) approved, (2) that it is approved contingent upon certain changes, or (3) that it must be revised and resubmitted. Contractor expressly understands and agrees that the review and approval of the Packaging and Transportation Plan by TMT shall not relieve Contractor of any of its Contract obligations including, but not limited to, the responsibility to perform the Work in conformity with this Contract.
 - i. Contractor can temporarily store Final PMAs in the Contractor's facility using the shipping container that the SSAs were originally shipped in to the Contractor's facility.
- D. The Parties stipulate that part of the Packaging and Transportation Plan will include, but is not limited to, the Contractor modifying the foam inserts in the shipping containers to keep the Final PMA secure during shipping if delivery of all the Final PMA is selected by TMT.

10. Phase 10, Packaging and Transportation

- A. Once shipping approval has been received from TMT, Contractor shall package Completed Segment in accordance with the Packaging and Transportation Plan. For the purposes of this Contract, the "Completed Segment" shall be the Final PMA if the Integration Option is exercised by TMT, otherwise, it shall refer to the Machined Segment.
 - i. Contractor can reconfigure and re-use roundel shipping containers for shipping and storing Machined Segments;
 - ii. Contractor can reconfigure and re-use SSA shipping containers for shipping and storing each Final PMA.
- B. Contractor shall insure the segment against loss or damage during transport for the full replacement cost, with TMT and Contractor both named as loss beneficiaries, as their interests may appear. In the event of a loss, Contractor shall be responsible for reporting the same to the insurance company and taking all steps to protect TMT's interests with regard to the insurance. In the event of a loss, TMT may elect to either direct Contractor to replace the damaged components using the proceeds from insurance or to refund the insurance proceeds to TMT.
- C. Before the Completed Segments leave the Contractor's facility, Contractor shall electronically provide a copy of the bill of lading, waybill, and insurance documentation to TMT and send the originals by courier service to the address where the components are being shipped. To the extent the bill of lading and

waybill do not specify the following information; Contractor shall include on a separate sheet included with the bill of lading and waybill the following information:

- i. Weight and dimensions of each package;
 - ii. Estimated date of arrival;
 - iii. Person to contact regarding shipment questions.
- D. By the date indicated in the Project Plan, Contractor shall transport all segments to the delivery location in accordance with the Packaging and Transportation Plan.

11. Provision of Roundels and SSA by TMT

- A. This Section 11 of Exhibit A supersedes and takes priority over any and all conflicting Contract provision (or any other arrangement between the Parties) regarding Damaged Blanks/SSAs.
- B. Contractor shall only produce Completed Segments using Roundels and SSAs (SSA is applicable if the Integration Option is exercised) supplied by TMT.
- C. TMT shall furnish the Roundels and SSAs for each Segment Order. TMT shall define the Completed Segment types fabricated during Production. The Completed Segment types shall be defined by TMT no later than the date Contractor picks up the Roundels and SSAs for shipment to their facilities. Roundels and SSAs shall be prepared by TMT for pick-up by Contractor for shipment to Contractor's facilities. Contractor shall provide TMT with written notice when requesting Roundels or SSAs. Requests for pick-up will occur from time-to-time as needed to support Production rates driven by the quantity and Delivery Schedule enumerated on the Segment Order.
- D. TMT is responsible for making the packaging for the requisite Roundels and SSAs. TMT is responsible for making the Roundels available for pickup by Contractor. TMT is responsible for shipping the SSAs to the Contractor's facilities.
- E. Contractor is responsible for picking up and shipping Roundels required for a Segment Order to Contractor's facilities.
- F. Contractor shall perform a pre-shipment inspection of all Roundels and must accept Risk of Loss for the Roundels prior to shipping them to the Contractor's facilities. Contractor shall perform a pre-shipment inspection to ensure timely documentation of any damage or irregularities to the Roundels. Once the Contractor ships a Roundel, the Roundel or SSA will be deemed to be accepted by Contractor
- G. Contractor shall perform a receiving inspection of all SSAs for shipping damage. Once an SSA passes its receiving inspection, it is deemed to be accepted by the Contractor. When Contractor accepts the SSAs, the Contractor accepts all Risk of

Loss for the SSAs and is obligated to maintain and use the SSAs in accordance with this Contract. Receiving inspections of the SSAs must be completed by Contractor no later than ten (10) work days after the SSAs are available for receipt at the destination designated in the Segment Order. If the receiving inspection for the SSAs is not performed within ten (10) work dates after the SSA are available for receipt at the designated destination, the relevant SSAs will be deemed to be accepted by the Contractor.

- H. Contractor shall store and manage all Roundels and SSAs delivered to Contractor by TMT, until they are used to fill the relevant Segment Order.
- I. Damaged Roundels or SSAs. For the purposes of this Contract, "Damaged Roundels/SSAs" are Roundels or SSAs that are damaged or found to be non-conforming after they are accepted by Contractor. In instances where a Roundel or SSA is damaged due to the negligence or intentional misconduct of the Contractor, the damaged or non-compliant Roundel or SSA shall be deemed a "Damaged Roundel/SSA" regardless of whether it is accepted by Contractor. For the purposes of this Contract, "Damaged Roundels/SSAs" shall include Provisional PMAs and Final PMAs.
 - i. In the event there is a Damaged Roundel/SSA, Contractor shall notify TMT in writing. After notification, TMT shall make arrangements to deliver a replacement Roundel or SSA to Contractor.
 - 1. If during the course of Production, there is a Damaged Roundel/SSA due to any reason (ex. chip, scratch, fracture, etc.), Contractor shall promptly notify TMT, prepare a Segment Damage Report, and submit the Segment Damage Report to TMT no later than three (3) business days from the discovery of the damage. Contractor must receive written authorization from TMT for any repair approach before it is performed on the Damaged Roundel/SSA. This procedure for Damaged Roundel/SSA shall be followed for all damage even minor damage where minor repairs would make the Damaged Roundel/SSA compliant with the Hexing Drawing or Integration Drawing.
 - 2. If repair to any part of a Damaged Roundel/SSA is required, the Segment Damage Report shall (1) describe the damage or anomaly in detail, (2) the circumstances that generated the damage or found the anomaly, and (3) the Contractor's suggested plan for the repair or resolution of the damage or anomaly. TMT will provide a response to the Segment Damage Report with regard to the acceptability of the repair plan within ten (10) days of its receipt by TMT. The response to the repair plan will indicate whether (1) the repair plan is approved, (2) approved but contingent upon certain changes, or (3) whether the repair plan must be revised and resubmitted. Contractor expressly understands and agrees that the review and approval of any repair by TMT shall not relieve Contractor of any of its Contract obligations including, but not limited to, the responsibility to continue performing the Work in conformity with this Contract.

- ii. Except as otherwise provided above, Contractor shall credit TMT in the amount of the Roundel Replacement Price or the SSA Replacement Price set forth in the Segment Order for each Damaged Roundel/SSA TMT replaces under this Contract.
- iii. TIO shall take reasonable action to replace Damaged Roundels/SSAs in a timely and cost effective manner.
- iv. The Parties shall cooperate and take all reasonable action to adjust Production and Delivery Schedules to address the impact of Damaged Roundels/SSAs. Contractor shall not be liable for any late deliveries caused by delayed replacement of Damaged Roundels/SSAs by TMT.
- v. Title to Damaged Roundels/SSAs shall transfer to Contractor upon payment of the applicable Roundel Replacement Price and SSA Replacement Price.