

Conciliation Agreement
Between the
U.S. Department of Labor, Office of Federal Contract Compliance Programs
and
Oceanit Laboratories Inc.

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the Oceanit Laboratories Inc. (Oceanit) establishment located at 828 Fort Street Mall, Suite 600, Honolulu, Hawaii 96813, OFCCP found that Oceanit failed to comply with the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212 (VEVRAA) and their respective implementing regulations. OFCCP notified Oceanit of the specific violations and the corrective actions required in a Notice of Violation (NOV) issued on September 30, 2021.

In the interest of resolving the violations without engaging in further legal proceedings and in exchange for sufficient consideration described in this document, OFCCP and Oceanit enter into this Conciliation Agreement (Agreement) and its attachments, and the parties agree to all the terms therein.

II. General Terms and Conditions

1. In exchange for Oceanit's fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under VEVRAA based on the violations alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if Oceanit violates any provision of this Agreement, as set forth in Paragraph 10, below. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. OFCCP may review Oceanit's compliance with this Agreement. As part of this review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. Oceanit will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all hard copy or electronic reports and documents OFCCP requests, including those specified in this Agreement.
3. Nothing in this Agreement relieves Oceanit of its obligation to fully comply with the requirements of Executive Order 11246, as amended (E.O 11246 or the Executive Order), Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 793 (Section 503), and VEVRAA, as amended, their implementing regulations, or other applicable laws requiring nondiscrimination or equal employment opportunity through affirmative action.
4. Oceanit agrees that it will not retaliate against any potential or actual beneficiary of this Agreement or against any person who files a complaint, who has provided information or assistance, or who participates in any manner in any proceeding in this matter.
5. The parties understand the terms of this Agreement and enter into it voluntarily.
6. This Agreement constitutes the entire Agreement and represents the complete and final understanding of the parties. This Agreement contains all of the terms binding the parties and it supersedes all prior written and oral negotiations and agreements. Any modifications or amendments to this Agreement must be agreed upon in writing

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- and signed by all parties. If an administrative error is found, OFCCP will work in good faith with all parties to make the corrections.
7. This Agreement becomes effective on the day it is signed by the District Director, Lynda Sakseangvirat.
 8. If one or more provisions of this Agreement is deemed unlawful or unenforceable, the remaining provisions will remain in full force and effect.
 9. This Agreement will expire sixty (60) days after Oceanit submits its final progress report required in Section IV, below, unless OFCCP notifies Oceanit in writing before the expiration date that Oceanit has failed to fulfill all of its obligations under the Agreement. In this instance, the Agreement is automatically extended until the date that OFCCP determines that Oceanit has met all of its obligations under the Agreement.
 10. If Oceanit violates this Agreement:
 - a. The procedures at 41 C.F.R. 60-300.63 will govern:
 - i. OFCCP will send Oceanit a written notice stating the alleged violations and summarizing any supporting evidence.
 - ii. The Oceanit shall have fifteen (15) days from receipt of the notice to respond, except in those cases in which such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
 - iii. If Oceanit is unable to demonstrate that it has not violated the Agreement, or if OFCCP alleges irreparable injury, enforcement proceedings may be initiated immediately without issuing a show cause notice or proceeding through any other requirement.
 - iv. In the event of a breach of this Agreement by the Oceanit, OFCCP may elect to proceed to a hearing on the entire case and seek full make-whole relief, and not be limited to the terms in the Agreement.
 - b. Oceanit may be subject to the sanctions set forth in 41 C.F.R. 60-300.66 and/or other appropriate relief for violating this Agreement.
 11. Oceanit does not admit any violation of the Executive Order, Section 503 or VEVRAA, nor has there been an adjudication on the merits regarding any such violation.
 12. OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.
 13. The parties understand and agree that nothing in this Agreement is binding on other governmental departments or agencies other than the United States Department of Labor.
 14. Each party shall bear its own fees and expenses with respect to this matter.
 15. This Agreement is limited to the facts of this case. Neither this Agreement, nor any part of the negotiations that occurred in connection with this Agreement, shall constitute admissible evidence with respect to any OFCCP policy, practice or position in any lawsuit, legal proceeding, administrative proceeding, compliance evaluation, or

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audit, except for legal or administrative proceedings concerning the enforcement or interpretation of this specific Agreement.

16. All references to "days" in this Agreement are calendar days. If any deadline for an obligation scheduled to be performed under this Agreement falls on a weekend or a Federal holiday, that deadline will be extended to the next business day.

III. Technical Violations and Remedies

1. **VIOLATION:** During the period January 1, 2020 through December 1, 2020, Oceanit failed to annually review the effectiveness of the outreach and recruitment efforts it took over the previous twelve months to identify and recruit qualified protected veterans, as required by 41 C.F.R. 60-300.44(f)(3).

REMEDY: Oceanit will annually review its outreach and recruitment activities, assess their effectiveness, and document this review, in accordance with 41 C.F.R. 60-300.44(f)(3). If Oceanit concludes that the totality of its efforts were not effective in identifying and recruiting qualified protected veterans, it shall identify and implement alternative efforts listed in 41 C.F.R. 60-300.44(f)(1) or (f)(2).

2. **VIOLATION:** During the period January 1, 2020 through December 31, 2020, Oceanit failed to design and implement an audit and reporting system, as required by 41 C.F.R. 60-300.44(h)(1). Specifically, Oceanit failed to measure its compliance with the affirmative action program's specific obligations.

REMEDY: Oceanit will design and implement an audit and reporting system, as required by 41 C.F.R. 60-300.44(h)(1). Specifically, Oceanit will design and implement an audit and reporting system that measures its compliance with the affirmative action program's specific obligations and documents the actions taken to comply with these obligations.

IV. OFCCP Monitoring Period

1. **Recordkeeping.** Oceanit agrees to retain all records relevant to the violations cited in Section III above and the reports submitted in compliance with Paragraph 2, below. These records include underlying data and information such as Human Resources Information System (HRIS) and payroll data, job applications and personnel records, and any other records or data used to generate the required reports. Oceanit will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
2. **Oceanit Reports.** Oceanit agrees to furnish OFCCP with the following reports during the Monitoring Period. Each report will contain the documentation specified according to the dates scheduled:

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- a. Progress Report 1: Due on July 30, 2022 covering the period of September 1, 2021 through June 30, 2022. A report of:
 1. Each outreach and recruitment activity designed to effectively recruit qualified veterans to include the name of the activity, the date of the activity, and the name and job titles of employees involved in the activity, and the goal and results of the activity.
 2. The effectiveness assessment of each outreach and recruitment activity and the totality of all their efforts to include for each activity, the name of the activity, the date of the activity, and the name and job titles of employees involved in the activity. If Oceanit concludes that the totality of its efforts were not effective in identifying and recruiting qualified veterans, it shall identify and report what alternative efforts were made.
- b. Progress Report 2: Due on January 30, 2023 covering the period of July 1, 2022 through December 31, 2022. A report of:
 1. Each outreach and recruitment activity designed to effectively recruit qualified veterans to include the name of the activity, the date of the activity, and the name and job titles of employees involved in the activity, and the goal and results of the activity.
 2. The effectiveness assessment of each outreach and recruitment activity and the totality of all their efforts to include for each activity, the name of the activity, the date of the activity, and the name and job titles of employees involved in the activity. If Oceanit concludes that the totality of its efforts were not effective in identifying and recruiting qualified veterans, it shall identify and report what alternative efforts were made.
 3. Evidence that Oceanit developed and implemented an auditing system that monitors the effectiveness of its total affirmative action programs under VEVRAA. The reports will include the dates the actions were taken, those involved by name and job titles, and proof that these actions were taken. Oceanit will design and implement an audit and reporting system that will:
 - a) Measure the effectiveness of the contractor's affirmative action program;
 - b) Indicate any need for remedial action;
 - c) Determine the degree to which the contractor's objectives have been attained;
 - d) Determine whether known protected veterans have had the opportunity to participate in all company sponsored educational, training, recreational, and social activities;
 - e) Measure the contractor's compliance with the affirmative action program's specific obligations; and
 - f) Document the actions taken to comply with the obligations of (a) through (e), and retain these documents as employment records subject to the recordkeeping requirements of 41 C.F.R. 60-300.80.

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Oceanit will submit reports to Lynda Sakseangvirat, District Director, via email at (b) (6), (b) (7)(C) @dol.gov with a copy to Compliance Officer, (b) (7)(C), (b) (6) at @dol.gov. Oceanit and OFCCP have a common interest in the information being provided in the reports pursuant to this Agreement. To the extent any of the reports Oceanit provides in accordance with this Agreement are trade secrets, commercial, and/or financial in nature, and customarily kept private or closely-held, and the Oceanit believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, Oceanit will provide such reports to OFCCP marked as "Confidential". In the event of a FOIA request, OFCCP will promptly notify Oceanit of the FOIA request and provide Oceanit an opportunity to object to disclosure. OFCCP will withhold disclosure of such reports to the maximum extent allowable by law.

3. **Close of Monitoring Period and Termination of Agreement.** This Agreement shall remain in effect until the monitoring period is completed. The monitoring period will close once OFCCP accepts Oceanit's final progress report as set forth in Section II, Paragraph 9 above. If OFCCP fails to notify Oceanit in writing within sixty (60) days of the date of the final progress report that Oceanit has not fulfilled all of its obligations under the Agreement, OFCCP will be deemed to have accepted the final report and the Monitoring Period and this Agreement will terminate. If OFCCP notifies Oceanit within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines Oceanit has met all of its obligations under the Agreement.

V. SIGNATURES

The person signing this Agreement on behalf of Oceanit personally warrants that he or she is fully authorized to do so, that Oceanit has entered into this Agreement voluntarily and with full knowledge of its effect, and that execution of this Agreement is fully binding on Oceanit.

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Oceanit Laboratories Inc. at 828 Fort Street Mall Suite 600, Honolulu, Hawaii 96813.

(b) (6), (b) (7)(C)

Patrick Sullivan
President
Oceanit Laboratories Inc.

DATE: Oct. 21, 2021

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(b) (6), (b) (7)(C)

Lynda Sakseangvirat
District Director
San Jose, Hawaii, and Guam Offices

DATE: 10/25/2021