



Administrative Compliance Agreement

This Administrative Compliance Agreement ("Agreement") is made between the United States Army ("Army") and Yul Lim Construction Co., Ltd. ("YLC").

A. Preamble

1. Between September 2016 and February 2019, YLC engaged in a collusive bidding scheme with six other Korean construction companies and their corporate executives on twenty-one U.S. Army Corps of Engineers Far East District ("FED") Korea-wide construction and maintenance contracts and/or task orders with a total value of KRW 42,487,149,423 (approximately \$38,205,700). In furtherance of the scheme, YLC and its co-conspirators decided in advance as to which one of the seven companies would submit the lowest, winning bid price on a particular FED solicitation. After the selected company decided on the lowest bid price, the other co-conspirator company executives submitted higher bid prices to ensure that the selected company won the solicitation. Through this criminal scheme, all seven co-conspirator companies succeeded in winning multi-million-dollar FED contracts and/or task orders.

2. On November 10, 2021, in the Seoul Eastern District Court, YLC and its co-conspirators pled guilty to and were convicted of conspiracy and collusive bidding on the FED contracts/task orders, in violation of Article 30 of the Korean Criminal Code (conspiracy) and Articles 334-1, 98-2, and 95-1 of the Framework Act on the Construction Industry Applicable laws (collusive bidding).

3. On 29 December 2021, the Army Suspension and Debarment Official ("SDO") proposed YLC for debarment under FAR 9.406-2(a) and (c).

4. In response to the proposed debarment, YLC requested that the SDO consider several mitigating factors such as those in FAR 9.406-1(a) in support of YLC's request to enter into an administrative compliance agreement. Those factors included the following:

(a) YLC's former executive Jin Hak Kim was solely responsible for the misconduct that resulted in the conviction. YLC has terminated the employment of Mr. Kim, and he does not, directly or indirectly, control or have the right to control YLC.

(b) YLC leadership has written employees to emphasize the requirement for ethical conduct.

(c) It has appointed an Ethics and Compliance Officer, who conducted ethics training of employees.

(d) It implemented a Code of Business Ethics and Standards for Employees' Conduct, with express reference to the requirement to comply with U.S. law and regulation.

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(e) It regrets and apologizes for the misconduct at issue.

(f) It has paid all fines and penalties levied by Republic of Korea courts.

(g) It has entered into an agreement with the Department of Justice to pay an amount for its civil liability resulting from the improper activity.

(h) It will implement additional remedial measures the Government deems appropriate.

5. YLC agrees to comply with this Agreement, including the provisions in Section C (Contractor Responsibility Program), Section D (Independent Monitor), Section E (General Conditions), and Section F (Administration of Agreement).

6. Based on the actions YLC agrees to take under this Agreement, the Army has determined that it is not necessary to debar YLC to protect the Government's interest.

Therefore, in consideration of the promises set forth herein and for good and valuable consideration, the parties mutually agree as follows:

B. Definitions

1. "Contractor" or "Company" refers to Company, including its members, managers, officers, and employees while acting in their capacities as such.

2. "Days" refers to calendar days.

3. "Effective date" (of this Administrative Agreement) refers to the date on which the Army's Suspension and Debarment Official signs this Agreement on behalf of the Army.

4. "FAR" refers to the Federal Acquisition Regulation.

5. "Government" refers to any department, agency, division, independent establishment, or corporation of the United States Government.

6. "Independent cause" for suspension or debarment refers to a basis for such action not directly related to information in the Preamble.

7. "Independent Monitor" refers to the Corporate Ethics Monitor retained by Company as required by this Agreement.

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C. Contractor Responsibility Program

1. General. Contractor shall institute and maintain a Contractor Responsibility Program for the duration of the Agreement. The Program shall be designed to ensure that Contractor conducts business in accordance with the high standard of business ethics and integrity required of a Government contractor and/or subcontractor. At a minimum, the Program shall include the following features, as described in the paragraphs below:

- a. Contractor will notify its employees of this Agreement.
- b. Contractor will designate an Ethics and Compliance Officer.
- c. Contractor will maintain a suitable Code of Business Ethics and Conduct.
- d. Contractor will maintain a hotline for employee reports of wrongdoing.
- e. Contractor will regularly train its employees on ethics and compliance, to include training on Government contracts and unlawful anti-competitive activities such as bid rigging.

2. Notification of Agreement. Within 30 days of the effective date of this Agreement, Contractor shall prepare and display, in a prominent place accessible to all employees a letter regarding Contractor's administrative agreement with the Army. Before displaying that letter, Contractor will send the proposed letter to the Army for review. The letter shall state:

- a. the basis for this Agreement;
 - b. Contractor's commitment to observe all applicable laws and regulations, and to maintain the highest standards in conducting business as a Government contractor or subcontractor;
 - c. a brief description of the features of the Contractor Responsibility Program;
- and
- d. that employees shall report all alleged improprieties to Contractor's hotline, in response to which Contractor will conduct an investigation and recommend appropriate corrective action, and that employees may make such reports to the DoD hotline without revealing their identity.

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3. Ethics and Compliance Officer.

a. Within 30 days of the effective date of this Agreement, Contractor shall designate an Ethics & Compliance Officer, who is primarily responsible for Company's Contractor Responsibility Program. The Ethics & Compliance Officer shall have the privilege and responsibility to report directly to the Company's President and Chief Executive Officer.

b. Should the designated Ethics & Compliance Officer leave or be removed from the position, that fact shall be reported to the Army, in writing, within ten calendar days of the event. No later than thirty days after the position becomes vacant, Company shall notify the Army of the proposed Ethics and Compliance Officer.

4. Code of Business Ethics and Conduct.

a. Contractor shall maintain, and revise as necessary, its Code of Business Ethics and Conduct ("Code"). The Code shall be designed to ensure that Contractor conducts business with the integrity and honesty required of a Government contractor or subcontractor.

b. Within 30 days of the effective date of this Agreement, Contractor shall send a draft Code to the Army.

c. Elements of the Code. The Code shall include, at a minimum:

(1) a statement of Contractor's commitment to comply with the contractor responsibility provisions of the FAR and all other applicable laws and regulations concerning its Government contracting and subcontracting, including those prohibiting unlawful anti-competitive activities such as bid rigging;

(2) a statement of Contractor's commitment to cooperate fully with any Government agencies responsible for investigation or corrective action;

(3) specific standards of conduct for Contractor employees in connection with Government contracts or subcontracts;

(4) notice that Contractor will immediately discipline, as appropriate (to include termination if appropriate), employees or officers whose conduct violates applicable laws, regulations, or the basic tenets of business integrity and honesty set forth in the Code; and

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(5) a requirement that Contractor employees report any impropriety or violation of this Agreement, whether committed by Contractor, a vendor, a subcontractor, or a Government employee.

5. Hotline.

a. General. Contractor shall maintain a "hotline" by which employees may report suspected incidents of improper conduct, to include fraud, waste, and abuse, or violation of the terms of any contract or this Agreement. Contractor shall make the hotline known to each of Contractor's managers, officers, and employees. Additionally, Contractor shall display in a prominent place accessible to all employees information about the hotline, including information on how to submit a report via telephone, text, or website. These notifications shall describe the hotline's purpose and explain that reports may be made anonymously.

b. Hotline Log. Contractor shall maintain a log of all reports to the hotline, to include the following: date and time of call or report; identity of reporter, if disclosed; summary of allegation or inquiry; and disposition. Contractor shall ensure that each call or report is adequately investigated and resolved. Upon request, Contractor shall provide hotline investigative reports to the Army. Contractor shall not assert an attorney-client or attorney work-product privilege with respect to the hotline log, investigative reports, or their contents.

6. Ethics and Compliance Training.

a. Within 60 days of the effective date of this Agreement, Company will provide all employees with training on its Code of Business Ethics and Conduct. That training will include instruction on unlawful anticompetitive activities such as collusive bidding, as well as other improper business practices and conflicts of interest discussed in FAR Part 3. Company shall provide the Army with a copy of its training materials at least 15 days in advance of the training. Company shall consider any feedback from the Army concerning the training materials.

b. Company will provide newly hired employees with training on its Code of Business Ethics and Conduct within 30 days of hiring.

c. Company will provide all employees with refresher training annually.

d. Company will maintain rosters of employee attendance at training sessions. When requested, Company shall make copies of attendance rosters available to the Army.

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D. Independent Monitor

1. Appointment of Independent Monitor. Within 30 days of the effective date of this Agreement, Contractor shall confirm, in writing to the Army, the existence and identity of the Corporate Ethics Monitor retained in fulfillment of this Agreement. The Corporate Ethics Monitor shall be responsible for the oversight of Contractor's Agreement with the Army. Any change of Independent Monitor requires immediate notice to the Army. Should the Army become dissatisfied with the performance of the Independent Monitor, the Army may require Contractor to propose a new Independent Monitor.

2. Nature of Relationship. The Monitor is an independent check upon the Contractor's compliance with this Agreement. The Independent Monitor shall not be an agent of Contractor, and his or her work shall not be subject to Contractor's assertion of the attorney-client privilege or the work product doctrine. Generally, the Independent Monitor shall serve as Contractor's first point of contact for all questions regarding the terms and conditions of this Agreement and Contractor implementation thereof. The Independent Monitor, in consultation with Contractor, shall ensure the implementation and management of the Contractor Responsibility Program. It will be the Independent Monitor's duty to assist management in implementing this Agreement, serve as a point of contact for all questions regarding the terms and conditions of this Agreement, investigate complaints concerning Contractor's compliance with this Agreement, and report to the Army concerning Contractor's compliance with this Agreement.

3. Annual Certification of Independence. Upon nomination, and upon each anniversary of the effective date of this Agreement during its tenure, the Independent Monitor shall furnish the Army with an affidavit certifying that he has no financial interest in, or other relationship with, the Contractor or its affiliates, other than that arising from his appointment as the Independent Monitor. The affidavit must also certify that his representation of any other client will not create a conflict of interest or appearance thereof in fulfilling his responsibilities as Independent Monitor. Any change in relationships that would affect these certifications must be reported to the Army before they occur or as soon as the Independent Monitor learns of them.

4. Fees and Expenses. Contractor agrees to pay all fees and expenses associated with an Independent Monitor for this Agreement. If, and to the extent the Independent Monitor requires at his or her reasonable discretion as communicated in writing, staff assistance and/or legal counsel, the Independent Monitor shall be authorized and empowered to retain such assistance and/or legal counsel with reasonable advance notice to Contractor. Contractor shall be responsible for and shall pay all reasonable costs, fees, retainers, or other reimbursements and compensation payable to or on account of such staff or legal counsel for the Independent Monitor. Contractor shall pay

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all such advance retainers, if any, required by the Independent Monitor because of his or her own customary fees or charges, as well as that of his or her staff or counsel.

5. Duties and Responsibilities.

a. The Independent Monitor's duties and responsibilities shall be limited in scope to Contractor's Government contracting activities. The Independent Monitor shall have no authority with respect to Contractor's business activities that are unrelated to its Government contracting activities, and that are not reasonably related to Contractor's present responsibility as a Government contractor.

b. The Independent Monitor shall report to the Army, and shall be free to communicate with the Army without interference by Contractor. The Army may communicate with the Independent Monitor on a confidential basis and without disclosure to Contractor. The purpose of the Independent Monitor is to observe and review on an ongoing basis, and to report to the Army regarding, Contractor's ongoing compliance in all respects with this Agreement; its compliance with applicable Government contracting laws, rules, and regulations and whether Contractor is seeking, entering into, and performing Government contracts responsibly and with integrity.

c. The Independent Monitor shall provide reports to Contractor and to the Army semi-annually. The Army, in its sole discretion, will determine whether more or less frequent reports are sufficient to accomplish the objectives of this Agreement. To the extent permitted by law, including the Freedom of Information Act, said reports shall be deemed confidential to Contractor, the Independent Monitor, and the Army.

d. The Independent Monitor's reports are for the Army's assistance and monitoring purposes and shall be considered by the Army as part of the totality of the information available to it. Proof of Contractor's ongoing compliance or non-compliance with this Agreement, and all its obligations under law, shall be determined based upon all relevant information, documents, communications, testimony, and other evidence of such compliance or lack thereof. Neither the delivery nor review by the Army of any Independent Monitor report shall waive, limit, or in any way diminish the Army's right to obtain, review, analyze, or evaluate any underlying actual evidence of Contractor's compliance or non-compliance with this Agreement or applicable law. Each report will describe the measures Contractor has taken to comply with this Agreement. Each report shall include:

(1) A description of the training conducted that is required by this Agreement and the number of persons who attended, including a statement of the percentage of total employees trained year to date as of the date of the report.

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(2) The total number of hotline calls and other contacts made or referred to the Ethics and Compliance Officer and Independent Monitor. This part of the report shall include, at a minimum, the nature of the reported or suspected misconduct, the results of the internal investigation, and any corrective action taken by the Company.

(3) All known, ongoing Government investigations of Contractor (including criminal, civil, and administrative investigations) relating to Government contracts.

(4) All indictments, plea agreements, or convictions entered by, for, or against Contractor, its officers, its Directors, or its owners. Compliance and ethics training conducted and the number of persons who attended.

(5) The dates and attendees of meetings between the Independent Monitor and Contractor's executives, which shall be at least semi-annual. The Army, in its sole discretion, will determine whether more or less frequent meetings are sufficient to accomplish the objectives of this Agreement.

(6) Any significant changes in the directives, instructions, or procedures implemented in furtherance of Contractor's Code of Business Ethics and Conduct, or any successor policy.

e. The Independent Monitor shall have unfettered, immediate, and, if requested, real-time access to Contractor's documents, information, and personnel, including without limitation all files, records, communications, IT and communications systems, e-mail systems, electronic documents, and databases reasonably related to Contractor's Government contracting activities. The Independent Monitor shall be empowered to provide no prior notice, or only minimal prior notice, to Contractor if the Independent Monitor determines, in his or her reasonable discretion, that the needs or exigencies of his or her monitoring require immediate access or communication. The Independent Monitor shall be permitted to communicate with any manager, employee, or contractor of Contractor pertaining to any matter concerning Contractor's present responsibility. Contractor commits to cooperate in good faith with any such communications and to provide, or to have provided, copies of any documents relating to any such communications within a reasonably prompt time. The Independent Monitor shall retain all of Contractor's information and documents in the strictest confidence and shall disclose all such information solely to the Army or other governmental investigatory authorities. The Independent Monitor shall not disclose such information or documents to third parties outside Contractor or use such information for any purpose not associated with his or her monitoring activities provided for herein.

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6. If requested by the Independent Monitor, Contractor shall provide to the Independent Monitor, at Contractor's place of business, on-site management-type office space, furniture, telephone, network access, equipment, and supplies, along with adequate enclosed conference room space or access for the Independent Monitor such that he or she can undertake confidential conferences with Contractor's employees.

7. Failure to cooperate fully and promptly with the Independent Monitor's inquiries, document and information requests, and other monitoring activities may be considered a breach of this Agreement.

8. Contractor hereby agrees that the Independent Monitor shall be released from, held harmless from, and indemnified against any claims, demands, liabilities, obligations, damages, suits, or costs of any sort whatsoever, whether to Contractor or to any third party, arising out of or relating in any way to the Independent Monitor's agreement, presence at Contractor's place of business, or performance of his or her duties and obligations under this Agreement.

E. General Conditions

1. Unallowable Costs. All costs defined in FAR 31.205-47 incurred for or on behalf of Contractor in response to or in preparation for Government criminal, civil, or administrative actions arising out of alleged violations described in the Preamble, and all costs incurred by the Contractor in negotiating, implementing and abiding by the terms of this Agreement, shall be deemed unallowable costs, direct or indirect, for Government contract purposes. These unallowable amounts shall be separately accounted for by the Contractor for Government contract purposes by identification of costs incurred: (a) through accounting records to the extent possible; (b) through memorandum records, including diaries and formal logs, regardless of whether such records are part of official corporate documentation, where accounting records are not available; and (c) through good faith itemized estimates where no other accounting basis is available.

2. Modification of Agreement. Any requirements imposed on Contractor by this Agreement may be discontinued by the Army at its sole discretion. All modifications to this Agreement may be made only in writing and upon mutual consent of the parties to this Agreement.

3. Business Relationships with Excluded Parties. In the event that Contractor is awarded a federal government contract or subcontract, it shall not knowingly form a contract with, purchase from, or enter into any business relationship with any individual or entity listed by the General Services Administration (GSA) as debarred, suspended,

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or proposed for debarment. In order to implement this provision, Contractor shall make reasonable inquiry into the status of any such potential business partner, to include, at a minimum, review of the GSA's List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

4. Public Document. This Agreement is a public document. The Army will post it on a publicly accessible website. Additionally, the Army may distribute the Agreement throughout the Government for official purposes. It may also release the Agreement under the Freedom of Information Act.

5. Releases. Contractor releases the United States, its instrumentalities, agents, and employees in their official and personal capacities of any and all liability or claims, monetary or equitable, arising out of the investigation and negotiation of this Agreement.

6. Scope of Agreement - Suspension and Debarment for Independent Cause. This Agreement in no way restricts the authority, responsibility, or legal duty of the Army, or any other federal agency to consider and institute suspension or debarment proceedings against Contractor based upon information constituting independent cause for suspension or debarment concerning events related or unrelated to the facts and circumstances set out herein, including, but not restricted to, any substantive allegations of wrongdoing under any past, present, or future hotline complaint or security program investigations. The Army or any other federal agency may, in its sole discretion, initiate such proceedings in accordance with the FAR Subpart 9.4.

7. Survival of Agreement. If, during the term of this Agreement, Contractor establishes new companies or subsidiaries, merges with another company, or transfers the entire company or major assets to new owners, it shall notify the Army 90 days in advance of such action and provide a copy of the corporate documents. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and assigns, unless the new owners request and show good cause why it should not be applicable to their operations. Bankruptcy proceedings shall not prevent or stay the enforcement of this Agreement or any debarment proceedings the Army deems to be appropriate should the parties fail to comply with the terms of this Agreement, or engage in such other conduct that is a cause for suspension or debarment.

8. Truth and Accuracy of Submissions. Contractor represents that all written materials and other information supplied to the Army by Contractor's authorized representatives during the course of discussion with the Army preceding this Agreement are true and accurate in all material respects, to the best of Contractor's information and

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belief. Contractor understands that this Agreement is executed on behalf of the Army in reliance upon the truth, accuracy, and completeness of all such representations.

9. Violations of Agreement. Any violation of this Agreement that Contractor does not correct within ten days from receipt of notice from the Army may constitute an independent cause for debarment. If correction is not possible within ten days, Contractor shall present within ten days an acceptable plan for correction. The Army may initiate, at its sole discretion, suspension or debarment proceedings under FAR Subpart 9.4. Alternatively, in case of any noncompliance, the Army may extend, in its sole discretion, this Agreement for a period equal to the period of noncompliance. Contractor does not waive, by this Agreement or otherwise, its right to oppose such action under FAR Subpart 9.4, or any other substantive, procedural, or due process rights it may have under the Constitution or other applicable laws or regulations of the United States.

F. Administration of Agreement

1. Addresses for Correspondence. All submissions required by this Agreement shall be delivered to the following addresses, or such other addresses as the parties may designate in writing.

If to the Army:

Procurement Fraud Division
Office of the Judge Advocate General
Attn: Allen Stewart
9275 Gunston Road
Fort Belvoir, VA 22060
allen.d.stewart2.civ@army.mil

If to Contractor:

Yul Lim Construction Co., Ltd.
Attn: Suk Youl Youn, President
Mailing Address: 676, Cheonho-daero, Gwangjin-gu, Seoul
Tel. No.: 010-3687-0008
Email Address: ylco79@naver.com

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2. Certification of Compliance. Within 90 days of the effective date of this Agreement, Contractor will provide the Army a certification that all terms and conditions of this Agreement have been implemented or will be satisfied within the times specified in this Agreement.

3. Access to Books and Records.

a. During the term of this Agreement, PFD, or any agency or office of the Department of Defense designated by PFD for a particular inquiry, shall have the right to examine, audit, and reproduce Contractor's books, records, documents, and supporting materials related to any report, allegation or complaint of suspected wrongdoing, whether criminal, civil, administrative, or contractual and whether reported through the hotline program, or by any other means, and any resulting inquiries or investigations related thereto relating to a Government contract. To the extent allowed to do so by law, regulation, and policy, the Army shall protect Contractor's confidential and proprietary business information from public disclosure.

b. Additionally, PFD or its designee shall have the opportunity to review the books, records, documents, materials, reports, and investigations directly related to compliance with this Agreement.

c. PFD or its designee shall also have the opportunity to interview any Contractor employee to evaluate (1) compliance with the terms of this Agreement; (2) future compliance with federal procurement policies and regulations; and (3) maintenance of the high level of business integrity and honesty required of a Government contractor or subcontractor.

d. The interviews and materials described above shall be made available to PFD or its designee at company offices at reasonable times. Contractor's obligation under this Agreement with respect to employee interviews is limited to making its employees available for an interview at their place of employment during normal business hours. The individual employee shall have the right to determine whether to give an interview. To the extent allowed to do so by law, regulation, and policy, the Army shall protect Contractor's confidential and proprietary business information from public disclosure.

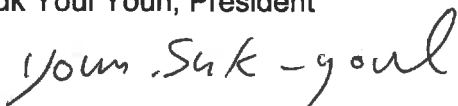
e. Contractor shall make the materials described above available at reasonable times for inspection, audit, or reproduction at Contractor's office. PFD or its designee shall not copy or remove Contractor's technical or other proprietary data without Contractor's permission.

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4. Expiration. This Agreement shall expire at midnight not later than three years after its date of signing by the SDO. The SDO, in his/her sole discretion, may consider terminating this Agreement after two years from the date of this Agreement, following a written request from the Contractor and SDO finding that the Contractor has fully complied with the terms of this Agreement and established its present responsibility.

Yul Lim Construction Co., Ltd.
by:


Suk Youl Youn, President



Date: 4 July 2022

Army Suspension and Debarment
Official

Karen H. Carlisle



Date: 1 July 2022