

Human Rights Watch
350 Fifth Avenue 34th Floor
New York NY 10118-3299

For the attention of Director Arvind Ganesan

Kongsberg, 9th August 2010

Dear Mr. Ganesan

We refer to your letter of 9th July 2010. We also refer to Olav Volldal's letter of 17th March 2009 where extensive information relating to the Van Wert labor dispute was provided.

We assume that the documentation prepared by the NLRB has been provided to you to the extent that these are publicly available and that further documentation would not be required.

While "offensive lockout" is not prohibited by law in Norway, it is correct that it is not an acceptable or recognized measure in industrial disputes and therefore for all practical purposes non-existent. It is certainly also the intention and the policy of the KA Group to avoid taking such measures in industrial disputes and rather aim at solving such disputes through negotiations regardless of where in the world labor disputes may occur.

We have in the past correspondence commented extensively on the Van Wert situation. As pointed out the Van Wert dispute was exceptional and KA were under the circumstances left with no other option than a lockout and hiring of temporary workforce. As pointed out in our previous letter, the measures taken by KA were found to be legal and acceptable by NLRB. It should further be added that the Norwegian contact point for OECD's Guidelines For Multinational Enterprises have concluded by statement of 28th May 2009 that OECD's guidelines were not violated by KA. KA is therefore of the clear opinion that it has not violated any applicable law or regulation.

We do however believe that it would not be correct to comment on whether "offensive lockout" *in general* would be consistent with industrial standards.

With regard to NLRBs statements, we refer to our letter of 17th March 2009.

Yours sincerely,

Hans Peter Havdal(s)
CEO