

The Board of Directors' statement regarding compensation to leading employees

(Item No. 7)

The guidelines for compensation to leading employees for 2013 are similar to the guidelines applicable for 2012.

1. Salary and remuneration other than share options

The competencies, performance and dedication of our employees are critical success factors for the short term and long term value creation of REC. Hence, key compensation goals are to support attraction, development and retention of the right talent, reward past achievements, and incentivize future strong performance, world class operations capabilities, and practice of our Core Values. Compensation packages should be put together to support this goal.

Fixed base salary levels should be determined locally and should reflect local market average levels for corresponding positions and qualifications in relevant businesses.

Performance bonuses are considered and provided for selected individuals whose achievement of performance objectives can be measured through clearly defined result parameters/KPIs (Key Performance Indicators). Result parameters/KPIs include both financial performance targets set for the REC Group / business segments as well as individual performance targets tied to the individual's area of responsibility. Some of these KPIs are directly tied to HSE (Health, Security and Environment)/safety indicators. Maximum performance bonus payout is defined on an individual basis in the range between 15 percent and 50 percent of yearly fixed base salary. Maximum performance bonus payout for REC Group Management varies between 50 and 100 percent of the yearly fixed base salary.

REC offers supplementary pension and personnel insurance schemes to employees in accordance with local standards for similar companies. Effective January 1, 2010, certain specific changes were made in the pension and personnel insurance arrangements for all Norwegian employees. The new schemes include a contribution plan for retirement benefits. Since January 1, 2007, REC has offered an additional supplementary pension scheme to Norwegian employees with fixed base salary level above 12 G.

Severance payment agreements for Group Management are described in note 16 to the 2012 consolidated Financial Statements.

In addition to the above mentioned compensation components, REC offers a car allowance/company car, phone coverage and a limited number of other benefits to selected employees.

2. Long term incentive programs and measures to retain key personnel

In previous years, REC has offered long-term incentive programs in the form of share options to the Group Management and certain other leading employees and key employees. For 2012, the Board chose to not offer any share options and has rather chosen to look at other

alternatives in order to retain key employees in the company and keep the turnover-rate low.

Certain members of the Group Management have been offered, and have entered into, so-called "stay-on agreements" under which they will receive a one-time compensation equal to 12 months base salary if they are still employed by the company and not under notice by December 31, 2013. If the employment is terminated by the Company due to circumstances on the employer's or the business' side, the relevant person will be entitled to receive an amount equal to 12 months base salary as a one-time payment. The payment is reduced accordingly in case of absences for more than two months. There have also been concluded "stay-on agreements", according to the same model as for the Group Management, with other managers and key employees of the group, however with different time periods and payment amounts.

During the course of 2013, the Board will resolve whether or not further measures must be implemented in order to keep leading personnel / key employees beyond the period which is covered by existing "stay-on agreements". In accordance with the resolution of the Extraordinary General Meeting on July 27, 2012, the Board will consider developing and implementing a long-term and individual incentive program for group management and key employees based on parameters related to results, performance and/or the development of the REC share.

3. Compliance of management compensation policy for 2012

The guidelines for determination of salary and other compensation for leading employees, as outlined for the Annual General Meeting in 2012, have been complied with in 2012; except that a long-term and individual incentive program has not been developed and the share purchase program has not been implemented. The guidelines are found in Note 16 to the 2011 consolidated Financial Statements.

Changes to current agreements on compensation for leading employees are adjustments of the amounts of compensation and changes of the composition of the Group management. Details of these are to be found in Note 16 to the 2012 consolidated Financial Statements.