

APPENDIX 5 TO ITEM 7

STATEMENT REGARDING COMPENSATION TO LEADING EMPLOYEES FROM THE BOARD OF DIRECTORS

The guidelines for compensation to leading employees for 2009 are similar to the guidelines applicable for 2008.

1. SALARY AND REMUNERATION OTHER THAN STOCK 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 incent future strong performance and practice of our Core Values. Compensation packages should be put together to support this.

Fixed Salary level should be determined locally and reflect local market average level for corresponding positions and qualifications in relevant businesses.

Performance Bonus should be considered and provided for selected individuals whose achievement of performance objectives can be measured through clearly defined results parameters within areas that the individual by virtue of his or her position, qualifications and performance can influence.

REC offers supplementary pension schemes to employees in accordance with normal standard for similar companies. Effective January 1, 2007, REC offers an additional supplementary deposit based pension scheme (contribution plan) to Norwegian employees with fixed base salary level above 12 G. This plan also includes some defined benefits for the employee in case of disability and for spouse and children in case of death.

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

2. STOCK OPTION PROGRAM

The Board of Directors wishes to continue the REC share option program that commenced in 2008 for REC executives, key leaders and employees. The main elements of the program are as follows:

The number of share options to be allocated for 2009 should not at any time exceed 1 percent of the total number of outstanding shares, fully diluted.

The award of share options takes place once a year. Strike price in 2009 should be calculated as 10 percent above the average trading price at the Oslo Stock Exchange (OSE) on the first trading day after the Annual General Meeting.

Maximum potential profit resulting from the exercise of the options in any one year is individually defined and amounts

to between 1 and 1.5 years' fixed base salary. In addition a maximum potential profit of 2 years' fixed base salary should be awarded to members of REC Group Management.

The number of share options allocated to program participants will be established based on the potential profit cap and based on the assumption that the REC stock price development outperforms the OSE by 25 percent, assuming an OSE annual average of 10 percent, in order for the option to be paid in full.

The first three years after award is a lock-up period. The options can be exercised in the 4th, 5th and 6th year after award. Options not exercised are lost upon termination of the employment contract.

Leading employees are also offered shares under the company's ordinary share purchase program for all employees.

3. COMPLIANCE OF MANAGEMENT COMPENSATION POLICY FOR 2008

The guidelines for determination of salary and other compensations for leading employees, as outlined for the Annual General Meeting in 2008, has been complied with in 2008. The guidelines are found in note 16 to the 2007 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 found in note 16 to the 2008 financial statements.