

Appendix to item no 7. Statement regarding management compensation

The guidelines for compensation to leading employees for 2008 are similar to the guidelines applicable for 2007, except that for 2007 there was a Long Term Incentive Plan that for 2008 is suggested to be replaced by a share option plan, as explained in item 2 below.

1. Salary and remuneration other than stock options

The quality, skills and dedication of senior executives, key leaders and professionals are critical factors affecting the long-term value of REC. Hence, key compensation goals are to attract, develop and retain such strong talent and proven high performers, reward past achievements, and incent future performance. Compensation packages should be put together to support this.

Base 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 base salary level above 12 G.

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.

In case REC has a need to terminate employment contracts, or there is a common understanding between REC and the employee that the employment contract should be terminated, a severance payment will be negotiated on an individual basis.

2. Stock option program

The Board of Directors wishes to establish a stock option program for REC executives, key leaders and employees. The program is planned to commence in May 2008. The number of options to be allocated for 2008 will be limited to 900 000 which equals 0.2% of the share capital. The total stock option program should at any time not exceed 1% of the total number of outstanding shares

The award of options is to take place once a year. For 2008, the award will be based on the share price on the day after the annual general meeting.

The strike price for the options is 5% above market price at the time of the award and options may not be exercised until, at the earliest, three years and, at the latest, six years after the award. The number of options awarded to the program participants is based on the assumption that the annual increase in the value of the REC share outperforms the historical increase in the value of the Oslo Stock

Exchange Benchmark Index by 25% over the six year period in order for the option to pay off in full.

Maximum potential profit resulting from the exercising of the options in any one year is individually defined, and is defined as one, one and a half or two years of the employee's fixed salary in 2008.

3. Compliance of management compensation policy for 2007

The guidelines for determination of salary and other compensations for leading employees, as outlined for the Annual General Meeting in 2007, have been complied with in 2007. The guidelines are found in note 16 to the 2006 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 this are found in note 16 to the 2007 financial statements.