

RECSILICON

# Remuneration report 2023

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# Advancing Materials, Advancing Technology

REC Silicon is a global leader in silane-based, high-purity silicon materials.

With two U.S.-based manufacturing facilities and sales support offices in both Asia and the United States, REC Silicon is leading energy and technology providers worldwide in shaping the future with advanced silicon materials.

[Go to content](#)



## CONTENTS

1. Purpose of the report	4
2. Remuneration of Group Management	6
3. Share based, Long Term Incentive Program, LTIP	8
4. Remuneration of the Board of Directors	10
5. Compliance with Remuneration Guidelines	10
6. Derogations and Deviations from Remuneration Guidelines	10
7. Comparative information on the change of remunerations and Company performance	11
8. Information on the shareholder vote	12
9. Statement by the board	13
Independent auditor's assurance report on report on salary and other remuneration to directors	14

## 1. Purpose of the report

This report on salaries and other remuneration to leading personnel (the “report”) of REC Silicon ASA (the “Company”) is based on the guidelines for the determination of salaries and other remuneration of leading personnel in the Company which were approved by the Company’s general meeting on May 11, 2023 (“Guidelines”).

This report is based on the requirements set out in the Norwegian Public Limited Companies Act of June 13, 1997 no. 45 (the “Companies Act”) section 6-16a and 6-16b, as well as Regulation on guidelines and report on remuneration for leading personnel of December 11, 2020 No. 2730 (the “Regulation”). The report is formulated in line with the European Commission’s template for remuneration reports.

The information included in the report is derived from the audited annual report of REC Silicon ASA for the financial year 2023. The report also contains additional information to meet the requirements of the Regulation, and to explain Board and Group Management remuneration. All amounts are in USD unless otherwise specified.

Information required by the Norwegian Act relating to Annual Accounts of July 17, 1998 no. 56 (“Accounting Act”) section 7-31 b is included in the Company’s annual report for 2023.

### 1.1 Company Performance in 2023

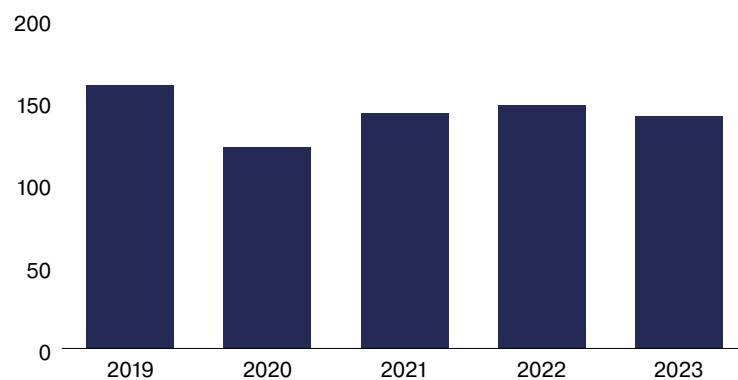
#### Introduction

REC Silicon is a leading producer of advanced silicon materials, delivering high-purity polysilicon and silicon gas to the solar and electronics industries worldwide. REC Silicon combines nearly 40 years experience and best-in-class proprietary technology to deliver on customer expectations from our manufacturing plants in Moses Lake, Washington and Butte, Montana.

The Company has a total silane production capacity of over 30,000 MT available for the production of polysilicon or for commercial shipments of silicon gases.

## Revenues

USD in million



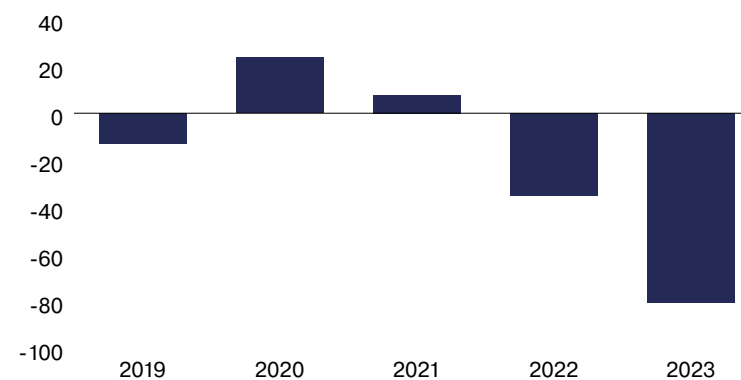
### Revenues

Total revenues for 2023 were USD 141.1 million, a decrease of 4.5 percent from USD 147.8 million in 2022.

Total polysilicon sales decreased by 753MT to 749MT in 2023 compared to 1,502MT in 2022. Total silicon gas sales increased by 357 to 3,075MT in 2023 compared to 2,718MT in 2022.

## EBITDA

USD in million



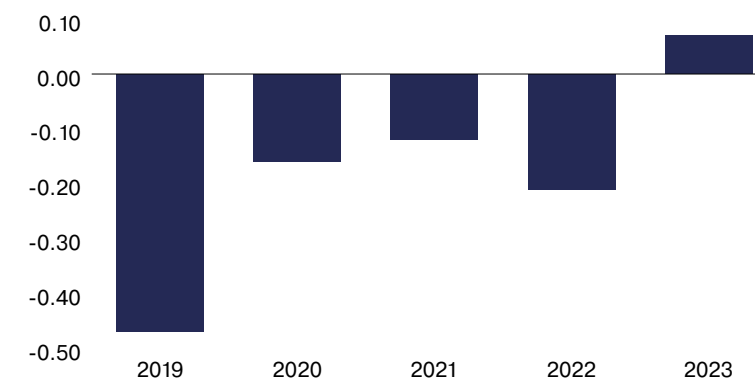
### Operations

During 2023 essentially all polysilicon produced by REC Silicon was manufactured in the Semiconductor Materials segment from its plant in Butte, Montana.

Total polysilicon production decreased by 353MT to 1,103MT in 2023 compared to 1,456MT in 2022.

## Earnings per share from continuing operations

USD



### Earnings

Earnings before interest taxes depreciation and amortization, (EBITDA) for 2023 was a loss of USD 80.5 million compared to an EBITDA loss of USD 34.9 million in 2022. The decrease in EBITDA compared to 2022 is the result of restart costs for Moses Lake as well as high operating costs, specifically energy and raw materials.

Earnings per share from continuing operations was USD 0.07 in 2023 compared to -0.21 in 2022.

## 2. Remuneration of Group Management

Members of Group Management are those that lead the business and make operational decisions. The company considers the positions of Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Strategy Officer (CSO) as leading personnel for the company.

### Members of group management subject to prevailing guidelines in 2023:

- CEO – Kurt Levens
- CFO – Jeong Ryul Yun
- CSO – Dongjin Jung

### 2.1 Remuneration Overview

The remuneration to group management covered by the guidelines may consist of

- Fixed remuneration - Reflects the individual's position and degree of responsibility and market rates at the relevant location. Fixed remuneration is made up of:
  - Base Salary represents the amount paid during the year.
  - Stipend which is a fixed amount paid that is in addition to base salary.
  - Pension which is a fixed percentage and is for a defined contribution plan.
  - Fringe Benefits are other fixed benefits and can include medical insurance, housing, company car, and cash in lieu of paid time off.

- Variable remuneration - Depends upon the competencies, performance, and dedication, measured through clearly established result parameters or Key Performance Indicators (KPIs). Maximum performance bonus pay out for REC Silicon Management varies between 50 percent and 100 percent of annual salary. Variable remuneration is made up of:
  - One year variable for bonus earned during 2023 that is paid in 2024
  - Multi-year variable for a share based incentive program which is discussed in section 3.
  - Employee termination benefits (“severance”) were included in variable remuneration in 2022.

Remuneration packages for the Group Management comprise a base salary, a short-term cash-based incentive or “STIP”, a long-term share-based incentive, “LTIP”, a pension contribution and other benefits. The fixed remuneration enables the executives to take decisions with a long-term perspective in mind without undue considerations for short- or long-term incentives. The variable remuneration is designed to promote performance in line with the Company's strategy and to further align the interests of the Group Management and shareholders.

Company guidelines do not include a right to reclaim variable compensation. Therefore, there is no claw-back of compensation provided under the Company's variable compensation plans.

### Bonus, STIP, Criteria for 2023

Short term incentive criteria is divided between strategic goals and operational and financial goals.

Three strategic goals were set forth for 2023. Strategic criteria were worth 50 percent of overall bonus. These goals included:

- Moses Lake Restart – Restart of Moses production by November 1, 2023 (20 percent weight of strategic and was not met)
- Moses Lake Restart Capex – (20 percent weight of strategic and was not met)
- Improve structure of key cash cost – (10 percent weight of strategic and was met)

Four operational goals were set forth for 2023. Operational criteria were worth 50 percent of overall bonus. These goals included:

- EBITDA target for semiconductor segment – (15 percent weight of operational and finance and was met)
- EBITDA target for solar material segment – (15 percent weight of operational and finance and was not met)
- Average sales price of electronic grade polysilicon – (10 percent weight of operational and finance and was met)
- Silicon gas sales volume – (10 percent weight of operational and finance and was met)



#### Bonus Criteria for Kurt Levens

Mr. Levens was eligible for a maximum bonus of 50 percent of base salary. His bonus was set by the above criteria and was divided 50 percent strategic and 50 percent operational and finance. His bonus was calculated at 25.7 percent of eligible compensation.

#### Bonus Criteria for Jeong Ryul Yun

Mr. Yun did not have a maximum bonus as a percent of base salary. His bonus was set by the above criteria and was divided 50 percent strategic and 50 percent operational and finance. His bonus was calculated at 43.0 percent of his base salary.

#### Bonus Criteria for Dongjin Jung

Mr. Jung did not have a maximum bonus as a percent of base salary. His bonus was set by the above criteria and was divided 50 percent strategic and 50 percent operational and finance. His bonus was calculated at 27.3 percent of his base salary.

#### Key developments in Executive Management Remunerations

The remuneration of executives during 2023 is governed by the Guidelines for Salary and other Remuneration to Leading Personnel (the “Guidelines”) in REC Silicon ASA, which was adopted at the Annual General Meeting in 2023.

All remuneration in 2023 to Group Management (the “Management”) was in line with the approved Guidelines. Total remuneration of Management amounted to USD 1,551,077 in 2023 as compared with USD 1,543,023 in 2022. The remuneration is in alignment with benchmark salary data for like positions within the industry.

The total remuneration for Chief Executive Officer (“CEO”) in 2023 amounted to USD \$885,221 (USD 1,180,750 for 2022). Of the total CEO remuneration, USD 780,475 is fixed and USD 104,746 is variable remuneration. Included in variable remuneration for 2022 is employee termination benefits.

#### Remuneration of Group Management 2023

Name and position (Amounts in USD)	Fixed remuneration				Variable remuneration			Total Remuneration	Proportion of fixed and variable remuneration	
	Base Salary	Stipend	Pension Expense	Fringe benefits	One-year variable Earned	Multi-year variable Earned	Severance			
Kurt Levens, CEO	643,653	92,308	33,000	11,514	165,237	-60,491	0	885,221	88.2%	11.8%
Jeong Ryul Yun, CFO	196,402	0	0	163,591	84,472	0	0	444,465	81.0%	19.0%
Dongjin Jung, CSO	92,304	0	0	103,859	25,227	0	0	221,391	88.6%	11.4%
<b>Totals</b>	<b>932,360</b>	<b>92,308</b>	<b>33,000</b>	<b>278,964</b>	<b>274,936</b>	<b>-60,491</b>	<b>0</b>	<b>1,551,077</b>	<b>86.2%</b>	<b>13.8%</b>

#### 2022

Name and position (Amounts in USD)	Fixed remuneration				Variable remuneration			Total Remuneration	Proportion of fixed and variable remuneration	
	Base Salary	Stipend	Pension Expense	Fringe benefits	One-year variable Earned	Multi-year variable Earned	Severance			
Kurt Levens, CEO (September 28 - December 31, 2022)	131,414	26,769	0	3,911	15,102	55,694	0	232,890	69.6%	30.4%
James A. May II, CEO (January 1 - September 26, 2022)	243,255	114,460	27,450	48,000	0	0	514,695	947,859	45.7%	54.3%
Jeong Ryul Yun, CFO (October 3 - December 31, 2022)	49,234	0	0	61,024	23,540	0	0	133,798	82.4%	17.6%
Douglas Moore, CFO (January 1 - October 2, 2022)	124,336	49,350	12,529	3,633	4,116	0	0	193,964	97.9%	2.1%
Dongjin Jung, CSO (November 1 - December 31, 2022)	14,497	0	0	15,094	4,921	0	0	34,511	85.7%	14.3%
<b>Totals</b>	<b>562,735</b>	<b>190,579</b>	<b>39,979</b>	<b>131,662</b>	<b>47,678</b>	<b>55,694</b>	<b>514,695</b>	<b>1,543,023</b>	<b>59.9%</b>	<b>40.1%</b>

### 3. Share based, Long Term Incentive Program, LTIP

#### 3.1 Introduction

The share-based incentive program is intended to award and incentivize outstanding performance by eligible employees and to attract and retain strong talent in business-critical functions.

The synthetic options under this program entitle the holder to receive a cash payment equivalent to the difference between a specific number of options multiplied by the strike price for such options and the same number of REC shares multiplied by the weighted average market price of REC shares on the disbursement dates. The options entitlement does not need to be exercised by any action by the eligible employee and will be automatically disbursed by REC following the applicable

disbursement date for such year. The share options granted to eligible employees can be cancelled in its entirety if the eligible employee ceases to be employed by REC Silicon. Employees who retire retain share options granted under the plan.

The tables below contain information on the number of shares and share options granted or offered to group management and information on the number of share options granted or offered for the reported financial year respectively. Kurt Levens had previously been granted options while in his role as senior vice president of Butte operations. He was not granted any options in 2023. In the tables, the main conditions for the exercise of the rights including the exercise price and date and any change

thereof appear. The cash payment is limited to a maximum amount in each calendar year. The maximum amount is each employee's base salary effective January 1 in the year of the relevant disbursement date.

The value of unvested options is calculated using the Black Scholes option pricing model and may not match actual payments made depending upon the market value of the Company's stock on the exercise date. During 2023, members of group management were paid USD 0.1 million for options granted in 2018, 2019, and 2020 (see table below).



### 3.2 Shares granted or offered for the reported financial year

There were no shares granted or offered during 2023.

#### Kurt Levens, CEO

Specification of plan	Plan period	Award date	Vesting Dates	End of holding period	Information regarding the reported financial year				
					Opening balance	During the year		Closing balance	
					Shares previously awarded	Shares awarded/ terminated	Shares vested / Settled in Cash	Shares subject to a performance condition	Shares awarded and unvested at year end subject to a holding period / Value
2021 Plan - Strike Price NOK 17.5	2021 - June 30 2026	May 11, 2021	June 30, 2024 33.33% June 30, 2025 33.33% June 30, 2026 33.33%	July 1, 2026	133,279	0	0 \$0	133,279	133,279 \$24,927
2020 Plan - Strike Price NOK 3.5	2020 - June 30 2025	May 12, 2020	June 30, 2023 33.33% June 30, 2024 33.33% June 30, 2025 33.33%	July 1, 2025	121,602	0	40,534 \$47,570	81,068	81,068 \$52,785
2019 Plan - Strike Price NOK 8.1	2019 - June 30 2024	May 9, 2019	June 30, 2022 33.33% June 30, 2023 33.33% June 30, 2024 33.33%	July 1, 2024	82,533	0	41,266 \$30,615	41,266	41,266 \$38,963
2018 Plan - Strike Price NOK 15.2	2018 - June 30 2023	April 26, 2018	June 30, 2021 33.33% June 30, 2022 33.33% June 30, 2023 33.33%	July 1, 2023	51,189	0	51,189 \$4,234	0	0 \$0
<b>Total Shares</b>					<b>388,603</b>	<b>0</b>	<b>132,989</b>	<b>255,613</b>	<b>255,613</b>
<b>Total USD</b>					<b>\$259,585</b>		<b>\$82,418</b>		<b>\$116,675</b>

		Information regarding the reported financial year				
		Opening balance	During the year		Closing balance	
		Shares previously awarded	Shares awarded/ (terminated)	Shares vested / Settled in Cash	Shares subject to a performance condition	Shares awarded and unvested at year end / Value
Kurt Levens	Shares	388,603	0	132,989	255,613	255,613
	USD			\$82,418		\$116,675
Jeong Ryul Yun	Shares	0	0	0	0	0
	USD					
Dongjin Jung	Shares	0	0	0	0	0
	USD					
<b>Total Shares</b>		<b>388,603</b>	<b>0</b>	<b>132,989</b>	<b>255,613</b>	<b>255,613</b>
<b>Total USD</b>		<b>\$259,585</b>		<b>\$82,418</b>		<b>\$116,675</b>

## 4. Remuneration of the Board of Directors

Each year, the nomination committee proposes fees for the Chair of the Board of Directors and members of the Board of Directors. There is no additional compensation for Board members who serve on the compensation or the audit committees. Amounts are fixed in NOK. At the Annual General Meeting held on May 11, 2023, board fees were set until the AGM of 2024. The remuneration shall be:

Chair of the board	NOK 0
Deputy chair	NOK 0
Other Board members	NOK 925,000

The table below shows remuneration paid to board members in 2023.

USD	Member at December 31, 2023	Board compensation
Tae Won Jun	Yes	0
Dong Kwan Kim	Yes	0
Renate Oberhoffer-Fritz	Yes	86,647
Vivian Bertseka	Yes	88,559
Roberta Benedetti	Yes	86,055
<b>Total 2023</b>		<b>261,261</b>

## 5. Compliance with Remuneration Guidelines

The remuneration of the Board and key group management complies with the Remuneration Guidelines adopted by the Annual General Meeting on May 11, 2023.

The table below shows the targets and results for short-term variable compensation plans for group management. Targets were established by the Board of Directors to incentivize and reward the achievement of Company goals related to financial performance and the strategic direction of the Company.

Name and position	Performance Criteria	Performance Criterial Weighting	Performance Targets	
			Minimum Target	Actual Performance
Kurt Levens CEO	Strategy	20%	Restart Moses Lake by November 1, 2023	0.0%
Jeong Ryul Yun CFO		20%	Moses Lake restart capex	0.0%
Dongjin Jung CSO	Operation and Finance	10%	Improve structure of key cash cost	12.5%
		15%	EBITDA Target Semiconductor segment	18.8%
		15%	EBITDA Target Solar segment	0.0%
		10%	Average sales price of EG polysilicon	10.0%
		10%	Silicon gas sales volume	0.0%

The Company's bonus program includes the requirement that the employee must be employed by the Company at the date of the bonus payout date.

## 6. Derogations and Deviations from Remuneration Guidelines

The Guidelines were approved by the Company's Annual General Meeting on May 11, 2023, and as of the date of this report no changes to the Guidelines have been proposed.

## 7. Comparative information on the change of remunerations and Company performance

The following table contains information on the annual amount and change of remuneration of each individual member of group management compared to the prior year. Additionally, the performance of the Company and average remuneration on a full-time equivalent basis of employees of the Company over the five most recent years is presented.

### Remuneration of Board of Directors

USD	2019		2020		2021		2022		2023	
	Amount	Change %	Amount	Change %	Amount	Change %	Amount	Change %	Amount	Change %
Tae Won Jun	NA		NA		NA		0	NA	0	NA
Dong Kwan Kim	NA		NA		NA		0	NA	0	NA
Renate Oberhoffer-Fritz	NA		NA		NA		48,054	NA	86,647	80.3%
Vivian Bertseka	NA		NA		NA		NA	NA	88,559	NA
Roberta Benedetti	NA		NA		NA		NA	NA	86,055	NA
Koo Yung Lee	NA		NA		NA		0	NA	NA	NA
Maeng Yoon Kim	NA		NA		NA		0	NA	NA	NA
Seung Deok Park	NA		NA		NA		0	NA	NA	NA
Annette Malm Justad	NA		45,005	NA	50,393	12.0%	15,585	-69.1%	NA	NA
Audun Stensvold	NA		25,203	NA	39,006	54.8%	12,988	-66.7%	NA	NA
Heike Heiligtag	NA		NA		NA		24,225	NA	NA	NA
Kjell Inge Røkke	NA		NA		62,507		NA	NA	NA	NA
Lene Landøy	NA		NA		35,857		NA	NA	NA	NA
Jens Ulltveit-Moe	59,949	-4.7%	56,492	-5.8%	NA		NA	NA	NA	NA
Espen Klitzing	45,675	3.7%	64,502	41.2%	6,784	-89.5%	NA	NA	NA	NA
Ragnhild Wiborg	41,679	-5.3%	35,860	-14.0%	NA		NA	NA	NA	NA
Inger Berg Ørstavik	41,679	-5.3%	61,063	46.5%	6,784	-88.9%	NA	NA	NA	NA
Terje Osmundsen	41,679	-5.3%	NA		NA		NA	NA	NA	NA
<b>Total Board of Directors</b>	<b>230,660</b>	<b>-3.5%</b>	<b>288,124</b>	<b>24.9%</b>	<b>201,330</b>	<b>-30.1%</b>	<b>100,852</b>	<b>-49.9%</b>	<b>261,261</b>	<b>159.1%</b>



## Remuneration of Group Management

USD	2019	2020	2021	2022	2023
Kurt Levens (CEO)	NA	NA	NA	232,890	885,221
Change from prior year				NA	652,331
Percent change from prior year				NA	NA
Jeong Ryul Yun (CFO)	NA	NA	NA	133,798	444,465
Change from prior year				NA	310,667
Percent change from prior year				NA	NA
Dongjin Jung (CSO)	NA	NA	NA	34,511	221,391
Change from prior year				NA	186,879
Percent change from prior year				NA	NA
Douglas Moore (CFO)	NA	NA	15,790	193,964	NA
Change from prior year			NA	178,173	NA
Percent change from prior year			NA	1128.4%	NA
James A. May II (CFO/CEO)	301,637	515,902	462,704	947,859	NA
Change from prior year	10,198	214,265	-53,199	485,156	NA
Percent change from prior year	3.5%	71.0%	-10.3%	104.9%	NA
Tore Torvund (CEO)	991,544	1,955,838	1,716,032	NA	NA
Change from prior year	41,525	964,295	-239,806	NA	NA
Percent change from prior year	4.4%	97.3%	-12.3%	NA	NA
Total Group Management	1,293,181	2,471,741	2,194,526	1,543,023	1,551,077
Change from prior year	51,723	1,178,560	-277,214	-651,504	8,054
Percent change from prior year	4.2%	91.1%	-11.2%	-29.7%	0.5%

## Average remuneration on a full-time equivalent basis of employees (excluding group management)

USD	2019	2020	2021	2022	2023
Employees of the Group	129,277	134,008	141,087	137,661	158,626
Average number of employees	338	275	280	309	429
Group Revenues	160.2	122.1	143.2	147.8	141.1
Group EBITDA	-12.9	23.8	7.7	-34.9	-80.5
Earnings per share	-0.47	-0.16	-0.12	-0.21	0.07

## 8. Information on the shareholder vote

Pursuant to the Companies Act Section 6-16 b (3), this report shall include an explanation on how the result of the general meeting's advisory vote over the report on salary and other remuneration to leading personnel for the previous year has been regarded. On May 11, 2023, the following resolution was passed. "The report for salary and other remuneration of the executive management are approved."

## 9. Statement by the board

The Board of Directors of REC Silicon has today considered and approved the remuneration report for REC Silicon ASA for the year ended December 31, 2023. The remuneration report has been prepared in accordance with Section 6-16 b of the Public Limited Liability Companies Act and the regulations pursuant to this Act.

The remuneration report will be presented to the Annual General Meeting on May 14, 2024 for final decision.

Lysaker, March 20, 2024  
Board of Directors

*Document is signed electronically*

Tae Won Jun  
Chairman of the Board

Dong Kwan Kim  
Deputy Chair

Vivian Bertseka  
Member of the Board

Roberta Benedetti  
Member of the Board

Dr. Renate Oberhoffer-Fritz  
Member of the Board

William K. Levens  
President and CEO



**KPMG AS**  
Sørkedalsveien 6  
P.O. Box 7000 Majorstuen  
N-0306 Oslo

Telephone +47 45 40 40 63  
Internet www.kpmg.no  
Enterprise 935 174 627 MVA

To the General Meeting of REC Silicon ASA

## Independent auditor's assurance report on report on salary and other remuneration to directors

### Opinion

We have performed an assurance engagement to obtain reasonable assurance that REC Silicon ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

### Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

### Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other*

*Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 21 March 2024  
KPMG AS

Øyvind Skorgevik  
State Authorised Public Accountant



# RECSiLICON

**REC Silicon ASA**

Lysaker Torg 5, 3 etg.  
PO Box 63  
1324 Lysaker  
Norway

Phone +47 407 24 086

**About REC Silicon**

REC Silicon ASA is a leading producer of advanced silicon materials, supplying high-purity polysilicon and silicon gases to the solar and electronics industries worldwide. We combine nearly 40 years experience and best-in-class proprietary technology to deliver on customer expectations. Our two U.S. based plants have a combined production capacity of more than 30,000 MT of high purity silane gas. REC Silicon is headquartered in Lysaker, Norway and listed on the Oslo stock exchange under the ticker: RECSI.

For more information, go to: [www.recsilicon.com](http://www.recsilicon.com)

[artbox.no](http://artbox.no)