



## **EXECUTIVE INCENTIVE COMPENSATION RECOUPMENT POLICY**

### **Purpose**

This Policy has been adopted by Cameco Corporation (Cameco) to enhance its alignment with good compensation governance practices and to assist Cameco to manage its compensation related risk.

### **Definitions**

In this policy the following capitalized terms have the meanings set out below:

1. ***“Applicable Rules”*** means any laws, regulations and rules of any stock exchange applicable to Cameco.
2. ***“Board”*** means the board of directors of Cameco.
3. ***“Cameco”*** means Cameco Corporation.
4. ***“Effective Date”*** means January 1, 2013.
5. ***“Executives”*** means the Chief Executive Officer and the Chief Executive Officer’s direct reports from time to time and includes former Executives and ***“Executive”*** means any one of the Executives. As at the Effective Date, the Chief Executive Officer’s direct reports are the Senior Vice-President and Chief Financial Officer; Senior Vice-President, Chief Legal Officer and Corporate Secretary; Senior Vice-President and Chief Commercial Office; Senior Vice-President and Chief Operating Officer and Senior Vice-President and Chief Corporate Officer.
6. ***“Human Resources and Compensation Committee”*** means the human resources and compensation committee of the Board.
7. ***“Incentive Compensation”*** means that portion of an Executive’s compensation related to achieving financial or other performance goals and, as of the Effective Date, includes Cameco’s short term incentive program, which consists of annual cash bonus opportunity, and Cameco’s long term incentive program, which consists of stock options and performance share units.
8. ***“Overcompensation Amount”*** means the portion of an Executive’s Incentive Compensation relating to the year(s) subject to a Restatement which is in excess of the Incentive Compensation that the Executive would have received for such year(s) if the Incentive Compensation had been computed in accordance with the results as restated under the Restatement, calculated on an after tax basis to the Executive.
9. ***“Policy”*** means this Executive Incentive Compensation Recoupment Policy.

10. **“Restatement”** means an accounting restatement due to Cameco’s material non-compliance with any applicable financial reporting requirement under securities laws.
11. **“Restatement Date”** means date upon which a Restatement is effective.

### **Application**

This Policy applies to all persons who are or become Executives on or after the Effective Date and applies to all Incentive Compensation awarded, granted or paid to an Executive on or after the Effective Date. This Policy supersedes and replaces the recoupment policy set out in Cameco’s Code of Conduct and Ethics, which shall continue to apply to Incentive Compensation awarded prior to the Effective Date of this Policy.

### **Right to Recoup Incentive Compensation**

In the event that:

- a) Cameco makes a Restatement;
- b) an Executive engaged in gross negligence, intentional misconduct or fraud which caused or significantly contributed to the Restatement; and
- c) the Executive received an Overcompensation Amount,

the Board may, on the recommendation of the Human Resources and Compensation Committee, subject to Applicable Rules, determine and recover the Overcompensation Amount from the Executive as follows:

- i. to the extent that the Overcompensation Amount has been paid, transferred or otherwise made available to the Executive, require, by written demand, the Executive to reimburse Cameco for all or part of such Overcompensation Amount (which, in the case of options or share appreciation rights awarded in respect of the year(s) subject to the Restatement which have been exercised by the Executive, means the amount, after tax, by which the fair market value of a common share of Cameco on the date of exercise or settlement exceeded the exercise price for the option or share appreciation right);
- ii. to the extent that the Overcompensation Amount has not been paid, transferred or otherwise made available to the Executive by Cameco, cancel, or require the Executive to forfeit, the receipt or payment of all or part of such Overcompensation Amount ; and
- iii. to the extent the Overcompensation Amount is not immediately recovered upon demand from the Executive, whether by reimbursement, forfeiture and/or cancellation, deduct the Overcompensation Amount, or any unrecovered portion thereof, from salary, wages and/or any other Incentive Compensation whether or not referable to the financial years subject to a Restatement owing, awarded or payable by Cameco to the Executive or withhold, forfeit and/or cancel any Incentive Compensation to compensate for the Overcompensation Amount or any unrecovered

portion thereof, and to bring any other actions against the Executive which they may deem necessary or advisable to recover all or part of the Overcompensation Amount.

In determining that an Executive's Incentive Compensation is subject to recoupment under this Policy and, if so, the amount which is subject to recoupment, the Board may take into account any factors it deems relevant, including whether a demand for payment may prejudice Cameco's interests in any related investigation and the cost and likely outcome of any potential litigation relating to recoupment.

An action to recover the Overcompensation Amount must be brought within three years following the Restatement Date. Recoupment of Overcompensation Amounts under this Policy will be initiated by Cameco at the request of the Board on the recommendation of the Human Resources and Compensation Committee, and all amounts recoverable or payable hereunder shall be paid to Cameco or as directed by the Board.

This Policy is in addition to any other action or remedy available to Cameco against the individual under Applicable Rules, including termination of employment for cause.

This Policy may be terminated at any time by the Board.

### **Policy Governance**

Policy Sponsor: The human resources and compensation committee

Date approved: January 1, 2013

Approved by: The board

Date last reviewed: December 5, 2012

Date last revised: Not applicable

Responsibility for document management: Corporate Secretary