Cameco
Energizing the World

NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS

on May 7, 2019

2019 MANAGEMENT PROXY CIRCULAR

April 5, 2019

What's inside

Message from the Chair of the Board

Dear Fellow Shareholders,

I am pleased to invite you to Cameco's annual meeting of shareholders at 8:30 a.m. (CST) on May 7, 2019 at Cameco's offices in Saskatoon, Saskatchewan. The meeting is available to shareholders and other stakeholders by live webcast.

The attached management proxy circular provides information about the business of the meeting, the voting process, this year's nominated directors, our corporate governance practices, our approach to executive compensation and 2018 compensation decisions.

The board's goal is to deliver the best value to shareholders. We pay particular attention to strategy and value creation, risk oversight, board governance and management succession – areas we see as fundamental to Cameco's sustainability and future success.

Strategy and risk oversight

In the context of a challenging market environment, and with the goal of building long-term shareholder value, the board is focused on strategy and its oversight of strategic risks. In 2018, management, with the support of the board, decided to suspend production from the McArthur River/Key Lake operation – the world's largest high-grade uranium mine/mill complex – for an indeterminate duration. Management has acted decisively in Cameco's best interests, making decisions that are aimed at preserving the value of Cameco's lowest cost assets, maintaining a strong balance sheet, protecting and extending the value of Cameco's contract portfolio, and efficiently managing the company in a low price environment. These strategic actions were necessary in light of the lingering uncertainty as to how long weak market conditions will persist. The board works closely with management on Cameco's strategic direction and reviewing and discussing strategy is a key component of every regular board meeting.

Cameco has a mature enterprise risk management program that consists of processes and controls to ensure risks are being appropriately managed and mitigated. While the board oversees the company's strategic risks, oversight of top-tier tactical and functional risks are allocated to specific board committees. These risks are tracked through Cameco's enterprise risk management system.

Environmental and social issues

Cameco's commitment to environmental, social and governance (ESG) matters are also closely monitored by the board and committees. A safe, healthy and rewarding workplace, a clean environment and supportive communities are measures of success that are integrated into the company's strategic plan and are used to set compensable targets for the management team. In 2018, the board approved a revised safety, health, and environment policy and a new sustainability policy that replaced the corporate social responsibility policy (both policies are available on the website cameco.com). The board also approved the new position of Vice-President, Sustainability, which reports directly to the CEO. The position was created to help elevate Cameco's focus on integrating sustainability principles and practices into how Cameco conducts business, and on supportive community relationships, particularly with Indigenous communities in northern Saskatchewan where Cameco operates.

Sound governance

Our strong governance foundation and commitment to good governance principles give us the ability to effectively serve Cameco and its stakeholders. The board reviews Cameco's governance practices annually to ensure we have the framework in place to be an efficient and effective board. Board and director assessments are carefully structured to provide insight on how we can continually improve governance at Cameco.

The board is committed to having the right mix of diversity – gender, skills, background and experience – and I am proud of the quality and experience of our directors. We regularly review the board succession plan as well as our competency matrix, core attributes, diversity policy, term limits and retirement policy to make sure our board composition is appropriate and continues to meet Cameco's needs.

Looking ahead

In 2019, John Clappison will retire from the board after serving as a director for 13 years and as chair of the audit and finance committee for 10 years. On behalf of the board and management, I thank John for his dedicated service, leadership and audit and governance expertise over these many years. We wish John well and thank him for his guidance and support as we plan an orderly transition of his role and responsibilities.

I have served as a Cameco director for seven years and became board chair in May 2018. I would like to thank my fellow directors and the management team for their hard work and strong support over the last year.

The board and management believe the long-term fundamentals of the nuclear industry remain strong despite the challenging market environment. Increasing populations and growing electricity demand around the world are driving the long-term fundamentals. Nuclear energy is a clean energy option that can provide the power needed – reliably, safely and affordably.

The board and management thank you for your continued confidence.

Sincerely,

Ian Bruce
Chair of the Board
Cameco Corporation

Notice of our 2019 annual meeting of shareholders

You are invited to our 2019 annual meeting:

When

Tuesday, May 7, 2019
8:30 a.m. CST

Where

Cameco Corporation
2121 – 11th Street West
Saskatoon, Saskatchewan

We will webcast the meeting on our website at ***cameco.com***.

Your vote is important

If you held Cameco common shares on March 14, 2019, you are entitled to receive notice of and to vote at this meeting.

You can vote in person at the meeting or by proxy.

See pages 5 through 10 of the attached management proxy circular for information about what the meeting will cover, who can vote and how to vote.

By order of the board of directors,

Sean Quinn
Senior Vice-President,
Chief Legal Officer and Corporate Secretary
Saskatoon, Saskatchewan

April 5, 2019

FOR MORE INFORMATION

Read about the business of the meeting beginning on page 5 of the attached management proxy circular.

The deadline for submitting a shareholder proposal for our 2020 annual meeting is January 6, 2020 and we require advance notice for nominating directors.

Access our 2018 annual report and other documents and information online:

- ***cameco.com***
- ***sedar.com*** (SEDAR)
- ***sec.gov/edgar.shtml*** (EDGAR)

See pages 29 and 36 for more information.

COMMON SHARES OUTSTANDING

395,792,732	December 31, 2018
395,792,732	March 14, 2019

AST Trust Company (Canada) is our transfer agent and registrar for Canada.

American Stock Transfer & Trust Company LLC is our transfer agent and registrar for the US.

1
BUSINESS OF THE MEETING

Read about the four items of business and how to vote your shares

pages 5 to 10

2
GOVERNANCE AT CAMECO

Learn about our governance practices and the board

pages 26 to 48

3
COMPENSATION AT CAMECO

Find out what we paid our executive officers and directors in 2018 and why

pages 49 to 94

Management proxy circular

You have received this circular because you owned Cameco common shares on March 14, 2019. Management is soliciting your proxy for the 2019 annual meeting of shareholders, and we pay all proxy solicitation costs.

As a shareholder, you have the right to attend the annual meeting of shareholders on May 7, 2019 and to vote your shares in person or by proxy. If you are unable to attend the meeting, you can listen to the webcast on our website (***www.cameco.com***).

The board of directors has approved the contents of this document and has authorized us to distribute it to you. We have also sent a copy to each of our directors and to our auditors.

The board of directors approved the content of this circular on March 14, 2019. Information is as of that date unless indicated otherwise.

THINGS TO NOTE

Key terms in this document

- *you* and *your* refer to the shareholder
- *we*, *us*, *our, the company* and *Cameco* mean Cameco Corporation
- *shares* and *Cameco shares* mean Cameco's common shares, unless indicated otherwise
- all dollar amounts are in Canadian dollars, unless indicated otherwise
- information is as of March 14, 2019, unless indicated otherwise.

Your vote is important

This circular describes what the meeting will cover and how to vote. Please read it carefully and vote, either by completing the form included with this circular or voting in person at the meeting.

Cameco employees or representatives of Kingsdale Advisors (Kingsdale) may contact you by mail or phone to encourage you to vote. If you have any questions or need more information about voting your shares, call Kingsdale at 1.888.518.1558 (toll-free in North America) or 416.867.2272 (collect calls accepted) outside of North America. Or send an email to ***contactus@kingsdaleadvisors.com***.

We are paying Kingsdale approximately $52,500 for their 2019 services.

Business of the meeting

A quorum is required to hold the meeting and transact business. A quorum is met when the people in attendance hold, or represent by proxy, at least 25% of Cameco's total issued and outstanding common shares.

We require majority approval on the items of business. Our majority voting policy governs the election of directors (see *Majority voting for non-executive directors on page 13*).

Elect directors

Nine director nominees are standing for election to our board to serve for a term of one year. All of the nominated directors currently serve on the board. You can vote for *all* of the nominated directors, vote for *some* of them and *withhold* votes for others, or *withhold* votes for all of them.

The director profiles starting on page 14 tell you about each director's background and experience and membership on Cameco board committees.

We recommend you vote ***FOR*** all of the nominated directors.

Reappoint the auditors

You will vote on reappointing the independent auditors. Auditors reinforce the importance of a diligent and transparent financial reporting process, and strengthen investor confidence in our financial reporting.

The board, on the recommendation of the audit and finance committee, has proposed that KPMG LLP (KPMG) be reappointed as our auditors until the end of our next annual meeting. KPMG, or its predecessor firms, have been our auditors since Cameco was incorporated in 1988. You can vote *for* reappointing KPMG, or you can *withhold* your vote.

We recommend you vote ***FOR*** reappointing KPMG as our auditors.

KPMG provides us with three types of services:

- *audit services* – generally relate to the audit and review of annual and interim financial statements and notes, conducting the annual audits of affiliates, auditing our internal controls over financial reporting and providing other services that may be required by regulators. These may include services for registration statements, prospectuses, reports and other documents that are filed with securities regulators, or other documents issued for securities offerings.
- *audit-related services* – include advising on accounting matters, attest services not directly linked to the financial statements that are required by regulators and conducting audits of employee benefit plans.
- *tax services* – relate to tax compliance and tax advice that are beyond the scope of the annual audit. These include reviewing transfer-pricing documentation and correspondence with tax authorities, preparing corporate tax returns, and advice on international tax matters, tax implications of capital market transactions and capital tax.

The table below shows the fees we paid to KPMG and its affiliates for services in 2017 and 2018. The board has invited a representative of KPMG to attend the meeting.

	2018 ($)	% of total fees (%)	2017 ($)	% of total fees (%)
Audit fees				
Cameco[1]	2,033,100	68.5	2,030,800	59.3
Subsidiaries[2]	709,800	23.9	864,900	25.3
Total audit fees	**2,742,900**	**92.4**	**2,895,700**	**84.6**
Audit-related fees				
Pensions and other	27,300	0.9	27,300	0.8
Total audit-related fees	**27,300**	**0.9**	**27,300**	**0.8**
Tax fees				
Compliance	94,800	3.2	151,200	4.4
Planning and advice[3]	102,300	3.5	295,800	8.6
Total tax fees	**197,100**	**6.7**	**447,000**	**13.0**
All other fees				
Other non-audit fees[4]	-	0.0	55,300	1.6
Total fees	**2,967,300**	**100.0**	**3,425,300**	**100.0**

1. For the audit of Cameco's annual consolidated financial statements and the review of interim financial statements.
2. For the audit of Cameco's subsidiary financial statements.
3. For transfer pricing advisory.
4. 2017 fees related to Cameco's I-4 membership and ESTMA reporting.

Receive financial statements

Our consolidated financial statements for the year ended December 31, 2018 will be presented at the meeting.

You can access and download a copy of our 2018 annual report (which includes our consolidated financial statements for the year ended December 31, 2018, management's discussion and analysis of these financial statements, and the auditors' report) on our website (***cameco.com/invest/financial-information***). Your package includes a paper copy of the annual report only if you requested one.

Advisory vote on executive compensation ("say on pay")

You will vote on our approach to executive compensation as disclosed in this circular. Please take some time to read about our compensation strategy, our compensation program, how we assess performance and how the board makes decisions. You can find a full discussion about executive compensation at Cameco starting on page 57.

The board believes this non-binding advisory vote gives shareholders a timely and effective way to give input to the board and the human resources and compensation committee on this important matter.

The board and the human resources and compensation committee discuss the results every year, as well as the nature of shareholders' comments and the trend in shareholders' views on our approach to executive compensation and consider this information when reviewing executive compensation and making their decisions.

Vote *for* or *against* our approach to executive compensation by voting on the following resolution:

> *Be it resolved that, on an advisory basis and not to diminish the role and responsibilities of the board of directors for executive compensation, the shareholders accept the approach to executive compensation disclosed in Cameco's management proxy circular delivered in advance of the 2019 annual meeting of shareholders.*

We recommend you vote ***FOR*** our approach to executive compensation.

Other business

We did not receive any shareholder proposals for this meeting, and are not aware of any other items of business to be considered at the meeting.

If other items of business are properly brought before the meeting, you (or your proxyholder) can vote as you deem appropriate.

HOW CAMECO WAS FORMED

Cameco Corporation was formed in 1988 by privatizing two Crown corporations, combining the uranium mining and milling operations of Saskatchewan Mining Development Corporation and the uranium mining, refining and conversion operations of Eldorado Nuclear Limited.

Cameco received these assets in exchange for:

- assuming substantially all of the current liabilities and certain other liabilities of the two Crown corporations
- issuing common shares
- issuing one class B share to the Province of Saskatchewan
- issuing promissory notes.

Cameco was incorporated under the Canada Business Corporations Act (CBCA).

You can find more information about our history in our most recent annual information form, which is available on our website (***cameco.com/invest***).

Delivery of meeting materials

We are using notice and access to deliver the meeting materials to all shareholders. This means that Cameco will post the meeting materials online for shareholders to access electronically. You will receive a package in the mail with a notification explaining how to access and review the meeting materials electronically and how to request a paper copy at no charge. Your package will include a proxy form or a voting instruction form so you can vote your shares.

Notice and access is environmentally wise and a cost-effective way to distribute our meeting materials because it reduces printing, paper and postage costs.

You can access the meeting materials on our website at ***cameco.com/invest/2019-annual-meeting*** and on SEDAR (***sedar.com***).

How to request a paper copy

Starting on April 5, 2019, shareholders can request a free paper copy of the meeting materials. To receive the paper copy in advance of the voting deadline and meeting date, we suggest you submit your request by 4:00 p.m. (Saskatoon time) on April 23, 2019.

If you would like to receive a paper copy of the meeting materials for up to one year from the date the meeting materials are filed on SEDAR, please call 1-888-433-6443 (toll free) or 416-682-3801 outside Canada and the United States, or send an email to: ***fulfilment@astfinancial.com***.

If you request a paper copy of the meeting materials you will not receive a new proxy form or voting instruction form, so please keep the original form sent to you in order to vote your shares.

If you have questions about notice and access, you can call our transfer agent, AST Trust Company (Canada), toll free at 1-800-387-0825.

Voting

Who can vote

Cameco has common shares and one class B share, but only holders of our common shares have full voting rights. If you held common shares at the close of business on March 14, 2019 (the record date), you or the person you appoint as your proxyholder can attend the annual meeting and vote your shares. Each Cameco common share you own represents one vote, except where ownership and voting restrictions apply. As of March 14, 2019, we had 395,792,732 common shares issued and outstanding.

Principal holders of common shares

We have one principal holder of our common shares as of December 31, 2018, as reported in a Schedule 13F filing made with the US Securities Exchange Commission – Beutel, Goodman & Company Ltd. of Toronto, ON (including its subsidiaries) held 21,415,858 common shares, or approximately 5.41%, of our total common shares outstanding.

Management is not aware of any other shareholder who holds 5% or more of our common shares.

Our class B share

The province of Saskatchewan holds our one class B share. This entitles the province to receive notices of and attend all meetings of shareholders, for any class or series. The class B shareholder can only vote at a meeting of class B shareholders, and votes as a separate class if there is a proposal to:

(a) amend Part 1 of Schedule B of the articles, which states that: Cameco's registered office and head office operations must be in Saskatchewan, the executive officers and generally all of the senior officers (vice-presidents and above) must live in Saskatchewan, and all annual meetings of shareholders must be held in Saskatchewan;

(b) amend the articles in a way that would change the rights of class B shareholders; or

(c) amalgamate, if the amalgamation would require an amendment to Part 1 of Schedule B of the articles.

Ownership and voting restrictions

Restrictions on owning, controlling and voting Cameco common shares are set out in the *Eldorado Nuclear Limited Reorganization and Divestiture Act (Canada)* (ENL Reorganization Act) and our company articles. See Appendix A on page 95 for the definitions in the ENL Reorganization Act, including definitions of *resident* and *non-resident*. Ownership restrictions for non-residents were put in place so that Cameco would remain Canadian controlled.

The following is a summary of the limitations listed in our company articles:

Residents – A Canadian resident, either individually or together with associates, cannot hold, beneficially own or control shares or other Cameco securities, directly or indirectly, representing more than 25% of the total votes that can be cast to elect directors.

Non-residents – A non-resident of Canada, either individually or together with associates, cannot hold, beneficially own or control shares or other Cameco securities, directly or indirectly, representing more than 15% of the total votes that can be cast to elect directors.

Voting restrictions – All votes cast at the meeting by non-residents, either beneficially or controlled directly or indirectly, will be counted and pro-rated collectively to limit the proportion of votes cast by non-residents to no more than 25% of the total shareholder votes cast at the meeting.

Residency declarations

Shareholders are required to declare their residency, ownership of Cameco shares, and other things relating to the restrictions, so we can verify compliance with the ownership of and voting restrictions on our shares. Nominees such as banks, trust companies, securities brokers or other financial institutions who hold the shares on behalf of non-registered shareholders need to make the declaration on their behalf.

If you own the shares in your name, you will need to complete the residency declaration on the enclosed proxy form. Copies will be available at the meeting if you are planning to attend the meeting. If we do not receive your residency declaration, we may consider you to be a non-resident of Canada.

The chair of the meeting may ask shareholders and their nominees for additional information to verify compliance with our ownership and voting restrictions. The chair of the meeting will use the declarations and other information to decide whether our ownership restrictions have been complied with.

Enforcement of ownership and voting restrictions

The company articles allow us to enforce the ownership and voting restrictions by suspending voting rights, forfeiting dividends, prohibiting the issue and transfer of Cameco shares, requiring the sale or disposition of Cameco shares, and suspending all other shareholder rights.

How to vote

You can vote by proxy, or you can attend the meeting and vote your shares in person. If you are a registered shareholder, we mail the notification directly to you and your package includes a proxy form. We distribute the notification to intermediaries to forward to our non-registered shareholders. For most non-registered shareholders, your package is sent by Broadridge and includes a voting instruction form. We pay the cost of proxy solicitation for all registered and non-registered shareholders.

Submit your voting instructions right away to meet the voting deadline. Make sure you allow enough time for your instructions to reach our transfer agent if you are sending the completed proxy form or voting instruction form by mail. AST Trust Company (Canada) must receive your voting instructions **before 8:30 a.m. CST on Friday, May 3, 2019** to be valid.

	Non-registered (beneficial) shareholders	Registered shareholders
The voting process is different depending on whether you are a registered or non-registered shareholder (see adjacent details).	You are a non-registered (beneficial) shareholder if your bank, trust company, securities broker, trustee or other financial institution holds your shares (your nominee). This means the shares are registered in your nominee's name, and you are the beneficial shareholder. Many of our shareholders are non-registered shareholders.	You are a registered shareholder if your name appears on your share certificate.
If you do not plan to come to the meeting, vote your shares by proxy. Voting by proxy is the easiest way to vote – it means you are giving someone else the authority to attend the meeting and vote for you.	You can submit your voting instructions online or by fax or mail by following the instructions on your voting instruction form. Alternatively, you can appoint a proxyholder to attend the meeting and vote your shares for you by following the instructions on your voting instruction form. If you are appointing someone else to attend the meeting and vote your shares, make sure your appointee knows that he or she must attend the meeting and vote your shares, otherwise your vote will not be counted. Your nominee will likely need to receive instructions from you at least one business day before Friday, May 3, 2019. If you appoint someone other than the Cameco proxyholders without specifying how you want your appointee to vote, your appointee will have full discretionary authority to vote as they see fit.	You can vote your shares by proxy. Complete the proxy form and send it to AST Trust Company (Canada) or vote your shares online or by phone or fax by following the instructions on your proxy form. Alternatively, you can appoint a proxyholder to attend the meeting and vote your shares for you by following the instructions on your proxy form. Make sure your appointee knows that he or she must attend the meeting and vote your shares, otherwise your vote will not be counted. AST Trust Company (Canada) will likely need to receive voting instructions from you at least one business day before Friday, May 3, 2019. If you appoint someone other than the Cameco proxyholders without specifying how you want your appointee to vote, your appointee will have full discretionary authority to vote as they see fit.
If you want to come to the meeting and vote in person.	Follow the instructions on your voting instruction form to appoint yourself as proxyholder, and return the voting instruction form as instructed by your intermediary (you may be able to do this online, or by fax or mail). You will need to register with a representative of AST Trust Company (Canada) when you arrive at the meeting.	Do not complete the enclosed proxy form. Your vote will be taken and counted at the meeting. If you vote in person at the meeting, any proxy previously given will be automatically revoked. Be sure to register with a representative of AST Trust Company (Canada) when you arrive at the meeting.
If you change your mind, you can revoke your proxy or voting instructions. Any new instructions will only take effect if they are received by AST Trust Company (Canada) before 8:30 a.m. on Friday, May 3, 2019 or 48 hours before the meeting is reconvened if the meeting is postponed or adjourned.	Contact your nominee if you need help providing new voting instructions, if you want to revoke your voting instructions (without giving new instructions) or if you want to vote in person instead.	You can revoke your proxy without providing new voting instructions by: • sending a notice in writing to the corporate secretary at Cameco, at 2121 - 11th Street West, Saskatoon, Saskatchewan S7M 1J3, so he receives it by 5 p.m. CST on the last business day before the meeting (Monday, May 6, 2019) • giving a notice in writing to the chair of the meeting before the start of the meeting • giving notice in any other manner permitted by law. The notice can be from you or your attorney, if he or she has your written authorization. If your shares are owned by a corporation, the written notice must be from its authorized officer or attorney.

Cameco may use the Broadridge QuickVote™ service to assist non-registered shareholders with voting their shares over the telephone. The service is handled by Kingsdale at the request of the non-registered shareholder. Kingsdale will assist those shareholders to conveniently vote their shares directly over the phone.

Voting by proxy

Voting by proxy is the easiest way to vote. It means you are giving someone else the authority to attend the meeting and vote for you (called your *proxyholder*).

If you are a registered shareholder, Tim Gitzel, president and CEO of Cameco, or in his absence Sean Quinn, senior vice-president, chief legal officer and corporate secretary of Cameco (the *Cameco proxyholders*), have agreed to act as proxyholder to vote your shares for you at the meeting according to your instructions. **You have the right to appoint someone other than the Cameco proxyholders to represent you at the meeting (who need not be a shareholder).** If you want to appoint someone else to represent you and vote your shares at the meeting, *see the instructions in the table on page 9*.

If you appoint the Cameco proxyholders but do not tell them how you want to vote your shares, your shares will be voted:

- ***for*** electing each nominated director
- ***for*** appointing KPMG LLP as auditors
- ***for*** the advisory vote on our approach to executive compensation.

Other important things to know

If for any reason a nominated director becomes unable to serve, your proxyholder has the right to vote for another nominated director at his or her discretion, unless you have indicated that you want to withhold your shares from voting on the election of directors.

If there are amendments or other items of business that properly come before the meeting, your proxyholder can vote on each matter as your proxyholder sees fit, as permitted by law, whether or not it is a routine matter, an amendment or contested item of business.

The chair of the meeting has the discretion to accept or reject any late proxies, and can waive or extend the deadline for receiving proxy voting instructions without notice.

If the meeting is postponed or adjourned, the deadline for AST Trust Company (Canada) to receive your voting instructions will be extended to 48 hours (excluding Saturdays, Sundays and statutory holidays) before the meeting is reconvened for your new voting instructions to be valid. *See the table on page 9* for further instructions. If you are revoking your proxy without giving new voting instructions, the corporate secretary must receive the notice by 5 p.m. CST on the day before the meeting is reconvened or you must give notice to the chair of the meeting before the start of the reconvened meeting.

Questions

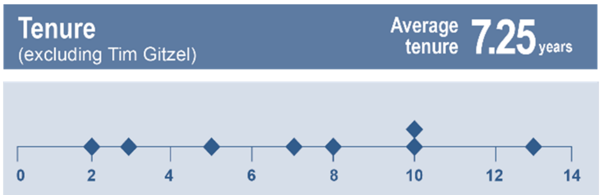
If you have questions about voting, completing the proxy form or residency declaration, or about the meeting in general, please contact Kingsdale, our strategic shareholder services advisor and proxy solicitation agent:

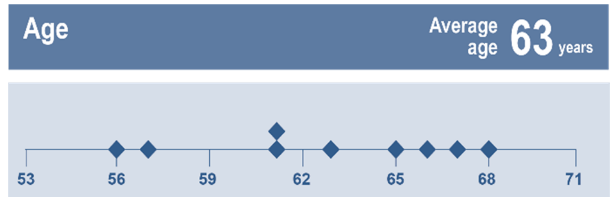
Phone: 1.888.518.1558
(toll free within North America)

1.416.867.2272
(collect from outside North America)

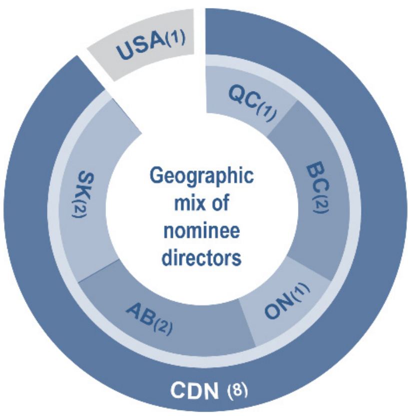
Email: ***contactus@kingsdaleadvisors.com***

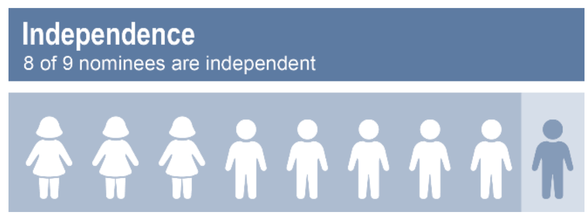
About the nominated directors





Diversity and independence



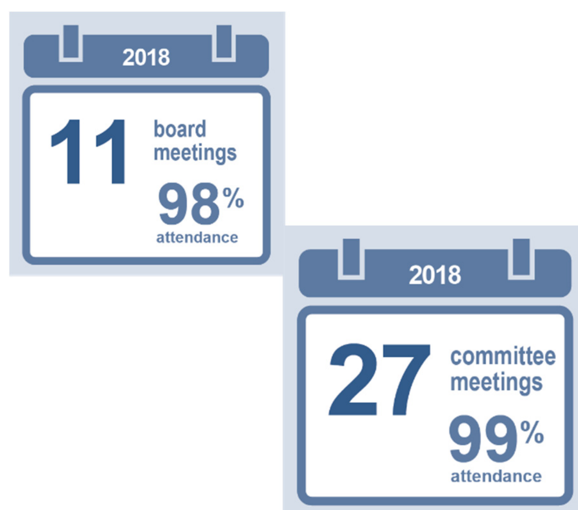


Expertise and skills

Expertise and skills
Number of directors with expert or strong knowledge of:

9 (100%)	board / corporate governance; international; investments / mergers and acquisitions; investor relations; risk oversight
8	capital projects; enterprise leadership; human resources and executive compensation; legal / regulatory; safety, health and environment / corporate resonsibility; stakeholder relations / government / public policy; uranium / nuclear
7	financial acumen
6	mining, exploration and operations; operational excellence

Commitment



Our board of directors is responsible for overseeing management and our business affairs. As shareholders, you elect the board to act in the best interests of Cameco. This year the board has nominated nine directors. All nominated directors currently serve on the board and have agreed to stand for re-election. For more on the nomination process, see *Board refreshment and the nomination process on page 36*.

Director profiles

The following pages tell you about each nominated director, including their background, skills, experience, other public company boards they sit on, 2018 meeting attendance, share ownership, and voting results at last year's annual meeting.

Board composition and managing conflicts

This year's nominated directors have been selected based on their knowledge, experience and other attributes, and collective expertise on a broad range of issues the board faces when overseeing our business and affairs. All of our directors are screened annually for conflicts of interest.

Independence

Eight of our nine nominated directors (89%) are independent. The only non-independent director is our CEO. All of the nominated directors are Canadian citizens and residents, except for Kate Jackson who is a US citizen and resident. Daniel Camus holds Canadian and French citizenship.

	Status		
Name	**Independent**	**Not independent**	
Ian Bruce	✓		
Daniel Camus	✓		
Donald Deranger	✓		
Catherine Gignac	✓		
Tim Gitzel		✓	President and CEO
Jim Gowans	✓		
Kate Jackson	✓		
Don Kayne	✓		
Anne McLellan	✓		

Voting results at 2018 annual meeting of shareholders

The voting results of each director who was a nominee at the 2018 annual meeting of shareholders are shown below.

	IAN BRUCE	DANIEL CAMUS	JOHN CLAPPISON	DONALD DERANGER	CATHERINE GIGNAC	TIM GITZEL	JIM GOWANS	KATE JACKSON	DON KAYNE	ANNE MCLELLAN
Percentage of votes cast "for" each director (%)	96.3	96.3	98.5	99.4	99.4	99.4	99.3	96.4	93.7	95.9
Percentage of votes cast "withheld" (%)	3.7	3.7	1.5	0.6	0.6	0.6	0.7	3.6	6.3	4.1

Share ownership and compliance with guidelines

We require each non-executive director to own Cameco shares or deferred share units (DSUs) to align the interests of our directors and shareholders. Non-executive directors receive all or part of their compensation in DSUs. See page 55 for the portion of the total retainer that each non-executive director received in DSUs in 2018.

We report each director's holdings of shares and DSUs and their total value, including the Cameco shares they own or exercise control or direction over, based on the following:

Year end	Closing price of Cameco common shares ($)
December 31, 2017	11.61
December 31, 2018	**15.48**

Our share ownership guidelines require that all directors must hold at least three times their annual retainer within five years of joining the board. For assessing compliance, we use our year-end share price on the TSX or the price the shares or units were acquired at, whichever is higher. The table below provides information about share ownership for each non-executive director.

	Equity ownership at December 31, 2018							
Name	Cameco shares	DSUs	Value of holdings (using year-end share price) ($)	Value of holdings (using share ownership guideline value) ($)	Annual retainer	Multiple of annual retainer using value of holdings (using year-end share price)	Minimum share ownership requirement ($)	Compliant with share ownership guideline
Ian Bruce	75,000	50,565	1,943,746	2,573,680	375,000	5.2x	1,125,000	Yes
Daniel Camus	–	77,254	1,195,892	1,427,201	200,000	6.0x	600,000	Yes
Donald Deranger	–	59,374	919,110	1,126,981	200,000	4.6x	600,000	Yes
Catherine Gignac	15,000	36,290	793,969	840,444	200,000	4.0x	600,000	Yes
Jim Gowans	9,000	64,676	1,140,504	1,486,258	200,000	5.7x	600,000	Yes
Kate Jackson	–	18,671	289,027	289,145	200,000	1.4x	600,000	Yes
Don Kayne	–	50,160	776,477	780,581	200,000	3.9x	600,000	Yes
Anne McLellan	100	48,304	749,294	1,090,737	200,000	3.7x	600,000	Yes

All directors are in compliance with our share ownership guidelines. Kate Jackson has until January 1, 2022 to meet the 3x retainer level and she is taking 60% of her annual retainer in DSUs to meet that goal. Tim Gitzel, our CEO, meets his executive share ownership guideline (*see pages 65 and 68*).

Majority voting for non-executive directors

Under corporate law, a nominated director can be elected with a single vote cast in his or her favour. However, under our majority voting policy to be elected a director must obtain a majority of votes cast in his or her favour. A director who does not receive a majority of votes cast in his or her favour in an uncontested election (where the number of nominated directors equals the number of board positions) must submit his or her resignation to the board.

Our nominating, corporate governance and risk committee will review the voting result and recommend to the board within 90 days of the meeting whether to accept or reject the resignation. Unless there are exceptional circumstances, the committee and the board will accept the resignation and it will take effect once they reach a decision. The director who submitted a resignation does not participate in any board or committee deliberations on the matter.

The board will announce its decision immediately. If it rejects the resignation, it will provide a full explanation why. If the board accepts the resignation, it may appoint a new director to fill the vacancy.

Ian Bruce, Chair of the Board

Age: 65
Calgary, AB
Canadian
Director since: 2012
Independent

Key skills and experience

- Board / corporate governance
- Financial acumen
- Investor relations
- Investments / mergers and acquisitions
- Risk oversight

Ian brings a strong finance and investment banking background as well as board, executive, energy sector, and leadership experience to Cameco's board. He serves as chair of the Cameco board and is an ex-officio member of each of the five board committees.

Ian Bruce is a corporate director. He is the former president and CEO of Peters & Co. Limited, an independent investment dealer. He has more than 30 years of experience in investment banking with specialization in corporate finance and mergers and acquisitions, predominantly in the oil and gas industry.

Ian is a fellow of the Chartered Professional Accountants of Alberta, a recognized Specialist in Valuation under Canadian CPA rules, and a chartered business valuator. He is a past member of the Expert Panel on Securities Regulation for the Minister of Finance of Canada and is also a past board member and chair of the Investment Industry Association of Canada.

Prior to becoming chair in May 2018, Ian was a member of the audit and finance committee and chair of the human resources and compensation committee. Ian is a director of the private company, TriAxon Oil Corp., and is also a member of its audit and compensation committees.

Board and committee membership	2018 Attendance		
	Regular	Special	Overall
Board chair	8 of 8	3 of 3	100%
Audit and finance	2 of 2	2 of 2	100%
Human resources and compensation	2 of 2	1 of 1	100%

* As board chair since May 2018, Ian attended 15 committee meetings as an ex-officio member. Committee meeting attendance indicated above are for those committees which he served on prior to appointment as chair.

Other public company boards in past five years	
Cona Resources Ltd. (TSX)	2014 to 2018
Logan International Inc. (TSX)	2011 to 2016

Securities held

Year	Cameco shares	DSUs	Total shares and DSUs	Total value of shares and DSUs	Multiple of 2018 annual retainer	Share ownership guideline compliant[1]
2018	75,000	50,565	125,565	$1,943,746	5.2x[2]	✓ Yes
2017	75,000	38,446	113,446	$1,317,107		
Change	–	12,119	12,119	$626,639		

1 For evaluating compliance with Cameco's share ownership guidelines, Ian's shares and DSUs held at December 31, 2018 are valued at $2,573,680 and represent 6.9x the board chair retainer of $375,000.

2018 Voting results	
96.3% *votes for*	3.7% *votes withheld*

Ian was a director of Laricina Energy Limited (Laricina), a junior oil sands private company, from 2013 to 2017. Laricina was under Companies' Creditors Arrangement Act (Canada) (CCAA) protection from March 26, 2015 until February 1, 2016, when it exited from CCAA protection. Its restructuring plan was approved by the Alberta Court of Queen's Bench on July 22, 2015.

Daniel Camus

Age: 66
Westmount, QC
Canadian and French
Director since: 2011
Independent

Key skills and experience

- Financial acumen
- International business
- Investments / mergers and acquisitions
- Risk oversight
- Uranium / nuclear

Daniel brings CFO, international business and energy sector experience, in particular in nuclear, to Cameco's board and the three committees he sits on. He also chairs the compensation committee of one other public company.

Daniel Camus is a corporate director. He is the former group CFO and head of strategy and international activities of Electricité de France SA (EDF). Based in France, EDF is an integrated energy operator active in the generation (including nuclear generation), distribution, transmission, supply and trading of electrical energy with international subsidiaries. He is the former CFO of the humanitarian finance organization, The Global Fund to Fight AIDS, Tuberculosis and Malaria, a position he held from 2012 to 2017.

Daniel holds a PhD in Economics from Sorbonne University, and an MBA in finance and economics from the Institute d'Études Politiques de Paris. Over the past 25 years, he has held various senior roles with the Aventis and Hoechst AG Groups in Germany, the US, Canada, and France. He has been chair of several audit committees and brings experience in human resources and executive compensation through his senior executive roles at international companies where he worked on business integrations in Germany, the US, Canada, and France. He is the audit committee chair and board member of the non-governmental organization, FIND Diagnostics, located in Geneva, Switzerland.

Board and committee membership	2018 Attendance Regular	Special	Overall
Board of directors	8 of 8	3 of 3	100%
Audit and finance	4 of 4	3 of 3	100%
Human resources and compensation	5 of 5	1 of 1	100%
Nominating, corporate governance and risk	5 of 5	2 of 2	100%

Other public company boards in past five years	
ContourGlobal PLC, London (LSE)	2016 to present
SGL Carbon SE, Wiesbaden (Xetra)	2008 to 2018
Valeo SA, Paris (NYX)	2006 to 2018
Vivendi SA, Paris (NYX)	2010 to 2015
Morphosys AG, Munich (TecDAX)	2003 to 2015

Securities held

Year	Cameco shares	DSUs	Total shares and DSUs	Total value of shares and DSUs	Multiple of 2018 annual retainer	Share ownership guideline compliant[1]
2018	–	77,254	77,254	$1,195,892	6.0x	✓ Yes
2017	–	72,227	72,227	$838,559		
Change	–	5,027	5,027	$357,333		

1 For evaluating compliance with Cameco's share ownership guidelines, Daniel's shares and DSUs held at December 31, 2018 are valued at $1,427,201 and represent 7.1x the board member retainer of $200,000.

2018 Voting results

96.3% *votes for*	3.7% *votes withheld*

Donald Deranger

Age: 63
Prince Albert, SK
Canadian
Director since: 2009
Independent

Key skills and experience

- Board / corporate governance
- Stakeholder relations / government / public policy
- Safety, health and environment / corporate responsibility
- Uranium / nuclear

Donald Deranger is an advisor to the Athabasca Basin Development Corporation and non-executive chair of the board of Points Athabasca Contracting Limited Partnership, a northern Saskatchewan indigenous contractor that does business with Cameco. He is also a governance advisor to Fond Du Lac, a Dené Nation located in the Athabasca Basin.

Donald is the past president of Learning Together, a non-profit indigenous organization that works to build relationships with the mining industry, and he continues to assist in an ex-officio capacity. He was the Athabasca vice chief of the Prince Albert Grand Council from 2003 to 2012. Donald serves as a director of the Sylvia Fedorchuk Centre for Nuclear Innovation since 2014. He also served as a director of the Tazi Twe Hydroelectric Project from 2014 to 2016.

An award-winning leader in the Saskatchewan indigenous community, Donald brings to the board a deep understanding of the culture and peoples of northern Saskatchewan where our richest assets are located.

Board and committee membership	2018 Attendance Regular	Special	Overall
Board of directors	8 of 8	3 of 3	100%
Nominating, corporate governance and risk*	3 of 3		100%
Reserves oversight	2 of 2	1 of 1	100%
Safety, health and environment	3 of 3	1 of 1	100%

* Donald joined the nominating, corporate governance and risk committee in May 2018.

Other public company boards in past five years

None

Securities held

Year	Cameco shares	DSUs	Total shares and DSUs	Total value of shares and DSUs	Multiple of 2018 annual retainer	Share ownership guideline compliant[1]
2018	–	59,374	59,374	$919,110	4.6x	✓ Yes
2017	–	51,246	51,246	$594,964		
Change	–	8,128	8,128	$324,146		

1 For evaluating compliance with Cameco's share ownership guidelines, Donald's shares and DSUs held at December 31, 2018 are valued at $1,126,981 and represent 5.6x the board member retainer of $200,000.

Donald's experience as a contractor in northern Saskatchewan and a leader in the Saskatchewan indigenous community provides a rich, valuable and unique perspective to Cameco's board and his work on three of our board committees.

2018 Voting results

99.4% *votes for*	0.6% *votes withheld*

Catherine Gignac

Age: 57
Mississauga, ON
Canadian
Director since: 2014
Independent

Key skills and experience

- Mining, exploration and operations
- Financial acumen
- Investments / mergers and acquisitions
- Investor relations
- Safety, health and environment / corporate responsibility

Catherine's extensive career as a mining equity research analyst and geologist, and experience in project value analysis and mergers and acquisitions, expand the range of skills of Cameco's board. She is chair of our reserves oversight committee and also serves on two other board committees.

Catherine Gignac is a corporate director. She has more than 30 years of experience in capital markets and the mining industry and has held senior positions as a mining equity research analyst with leading global brokerage firms and independent boutiques. She has extensive experience in project value and investment analysis, and spent her early working years as a geologist.

Catherine is a member of the Institute of Corporate Directors, the Mineral Resource Analyst Group, the Canadian Institute of Mining & Metallurgy, and the Prospectors and Developers Association of Canada (PDAC).

Catherine was the principal of Catherine Gignac & Associates from 2011 to 2015. She serves as chair of the board of Women in Mining Canada and as a member of the Canadian Securities Administrators' mining technical monitoring and advisory committee. She served as chair of the public company, Corvus Gold Inc., from 2014 to 2019 and as a member of its board for six years.

Board and committee membership	2018 Attendance Regular	Special	Overall
Board of directors	8 of 8	3 of 3	100%
Audit and finance	4 of 4	3 of 3	100%
Reserves oversight (chair)	2 of 2	1 of 1	100%
Safety, health and environment	3 of 3	1 of 1	100%

Other public company boards in past five years

Corvus Gold Inc. (TSX)	2013 to March 2019
Trevali Mining Corporation (TSX)	2012 to 2017
St. Andrew Goldfields Ltd. (TSX)	2011 to 2015

Securities held

Year	Cameco shares	DSUs	Total shares and DSUs	Total value of shares and DSUs	Multiple of 2018 annual retainer	Share ownership guideline compliant[1]
2018	15,000	36,290	51,290	$793,969	4.0x	✓ Yes
2017	15,000	27,508	42,508	$493,520		
Change	–	8,782	8,782	$300,449		

1 For evaluating compliance with Cameco's share ownership guidelines, Catherine's shares and DSUs held at December 31, 2018 are valued at $840,444 and represent 4.2x the board member retainer of $200,000.

2018 Voting results

99.4% *votes for*	0.6% *votes withheld*

Tim Gitzel

Age: 56
Saskatoon, SK
Canadian
Director since: 2011
President and CEO
Not independent

Key skills and experience

- Uranium / nuclear
- International business
- Mining, exploration and operations
- Legal / regulatory
- Operational excellence

As Cameco's president and CEO, Tim brings the day-to-day business and operations perspective to the board, and is responsible for executing Cameco's strategy. Tim has over two decades of industry experience and brings added perspective as a member of the board of the World Nuclear Association and the Nuclear Energy Institute.

Tim Gitzel is president and CEO of Cameco. He served as president from 2010 to 2011, and prior to that served as senior vice-president and chief operating officer (COO). Tim has more than 20 years of senior management experience in Canadian and international uranium activities. Prior to joining Cameco, he was executive vice-president, mining business unit for Orano (formerly AREVA) in Paris, France, where he was responsible for global uranium, gold, exploration and decommissioning operations in 11 countries.

Tim received his bachelor of arts and law degrees from the University of Saskatchewan. He participated in an executive education programme facilitated by INSEAD in France. He was appointed to the board of the Nuclear Energy Institute in 2012 and to The Mosaic Company board in October 2013. He currently serves as chair of The Mosaic Company's compensation committee. He served as chair of the World Nuclear Association from 2012 to 2014 and continues to serve as a member of the board. He is also a member of the Business Council of Canada.

Tim is past president of the Saskatchewan Mining Association, and has served on the boards of SaskEnergy Corporation, the Saskatchewan Chamber of Commerce and Junior Achievement of Saskatchewan. He serves our community in numerous capacities, including several current and past leadership positions with charitable and non-profit organizations.

Board and committee membership	2018 Attendance Regular	Special	Overall
Board of directors	8 of 8	3 of 3	100%

Other public company boards in past five years	
The Mosaic Company (NYSE)	2013 to present

Securities held

Year	Cameco shares	PSUs*	Total shares and PSUs	Total value of shares and PSUs**	Executive share ownership guideline compliant
2018	299,594	342,311	641,905	$9,936,689	✓ Yes
2017	256,638	281,800	538,438	$6,251,265	(for CEO, see page 68)
Change	42,956	60,511	103,467	$3,685,424	

* Excludes PSUs that vested on December 31, 2018.

** Value of shares ($4,637,715) and PSUs ($5,298,974) for 2018 are calculated using $15.48 for 2018 and $11.61 for 2017, the year-end closing prices of Cameco shares on the TSX. This is the total value of Tim's accumulated shares and other equity-based holdings.

See *Incentive plan awards* on page 86 for details about his stock options.

2018 Voting results	
99.4% *votes for*	0.6% *votes withheld*

Jim Gowans

Age: 67
Surrey, BC
Canadian
Director since: 2009
Independent

Key skills and experience

- Capital projects
- Enterprise leadership
- International business
- Mining, exploration and operations
- Operational excellence

Jim brings strong experience in the resource sector to Cameco's board through an extensive career as a senior executive with several major mining companies and his role as past chair of The Mining Association of Canada. He serves on three of our board committees including as chair of the safety, health and environment committee.

Jim Gowans is a corporate director. He was president, CEO and a director of Arizona Mining Inc. from January 2016 to August 2018. Prior to that, he was senior advisor to the chair of the board of Barrick Gold Corporation from August to December 2015, co-president from July 2014 to August 2015, and executive vice-president and COO from January to July 2014. He has over 30 years of experience as a senior executive in the mining industry, including holding executive positions at Debswana Diamond Company in Botswana, DeBeers SA, DeBeers Canada Inc., PT Inco in Indonesia, and Placer Dome Ltd. Jim is the past chair of the Mining Association of Canada.

Jim received a bachelor of applied science degree in mineral engineering from the University of British Columbia and attended the Banff School of Advanced Management. He has extensive mining knowledge and perspective on the importance of corporate social responsibility. He has been a director of the private company, Gedex Technologies Inc. since 2015.

Board and committee membership	2018 Attendance Regular	Special	Overall
Board of directors	8 of 8	3 of 3	100%
Audit and finance*	2 of 2	1 of 1	100%
Nominating, corporate governance and risk*	2 of 2	0 of 2	50%
Reserves oversight	2 of 2	1 of 1	100%
Safety, health and environment (chair)	3 of 3	1 of 1	100%

* Jim joined the audit and finance committee and left the nominating, corporate governance and risk committee in May 2018.

Other public company boards in past five years	
Titan Mining Corporation (TSX)	2018 to present
New Gold Inc. (TSX)	2018 to present
Detour Gold Corporation (TSX)	2018 to March 2019
Arizona Mining Inc. (TSX)	2016 to August 2018
Dominion Diamond Corporation (TSX)	2016 to 2017
NewCastle Gold Ltd. (TSX)	2016 to 2017
PhosCan Chemical Corp. (TSXV)	2008 to 2014

Securities held

Year	Cameco shares	DSUs	Total shares and DSUs	Total value of shares and DSUs	Multiple of 2018 annual retainer	Share ownership guideline compliant[1]
2018	9,000	64,676	73,676	$1,140,504	5.7x	✓ Yes
2017	9,000	59,769	68,769	$798,412		
Change	–	4,907	4,907	$342,092		

1 For evaluating compliance with Cameco's share ownership guidelines, Jim's shares and DSUs held at December 31, 2018 are valued at $1,486,258 and represent 7.4x the board member retainer of $200,000.

2018 Voting results		
	99.3% *votes for*	0.7% *votes withheld*

Kathryn (Kate) Jackson

Age: 61
Pittsburgh, PA USA
American
Director since: 2017
Independent

Key skills and experience

- Uranium / nuclear
- Safety, health and environment / corporate responsibility
- Risk oversight
- Operational excellence
- Human resources and executive compensation
- Capital projects

Kate brings extensive senior management and board experience in highly technical industries, including nuclear power generation, to Cameco's board and the three committees she sits on. She has worked on both the utility and supplier side of the industry.

Kate Jackson is a corporate director. She is the former senior vice-president and chief technology officer of RTI International Metals Inc. (from 2014 to 2015) and previously she served as senior vice-president and chief technology officer for Westinghouse Electric Company (from 2008 to 2014), which included responsibility for sustainability and environment, health and safety. She has held various senior positions at the Tennessee Valley Authority and Alcoa Corporation.

Kate received a doctorate and a master's degree in engineering and public policy from Carnegie Mellon University. She also holds a master's degree in industrial engineering management from the University of Pittsburgh and a bachelor's degree in physics from Grove City College.

Kate chaired the ISO New England Inc. board from 2008 to 2014. ISO New England Inc. is an independent non-profit regional transmission organization serving a number of Eastern US states. Kate is a member of Carnegie Mellon University School of Engineering Dean's Advisory Council and the advisory board of the Carnegie Mellon Electricity Industry Centre. She is a member of the University of Pittsburgh Engineering School Board of Visitors. Since joining the board of Portland General Electric Company in 2014, Kate has served as a member of its compensation committee for the full tenure.

Board and committee membership	2018 Attendance Regular	Special	Overall
Board of directors	8 of 8	3 of 3	100%
Human resources and compensation	5 of 5	1 of 1	100%
Nominating, corporate governance and risk	5 of 5	2 of 2	100%
Safety, health and environment	3 of 3	1 of 1	100%

Other public company boards in past five years

Portland General Electric Company (NYSE)	2014 to present
Hydro One Limited (TSX)	2015 to 2018
Rice Energy, Inc. (NYSE)	Apr. to Nov. 2017

Securities held

Year	Cameco shares	DSUs	Total shares and DSUs	Total value of shares and DSUs	Multiple of 2018 annual retainer	Share ownership guideline compliant[1]
2018	–	18,671	18,671	$289,027	1.4x	1.4x
2017	90	9,733	9,823	$114,049		
Change	(90)	8,938	8,848	$174,978		

1 For evaluating compliance with Cameco's share ownership guidelines, Kate's shares and DSUs held at December 31, 2018 are valued at $289,145, and represent 1.4x the board member retainer of $200,000. Kate has until January 1, 2022 to meet the share ownership guideline target.

2018 Voting results

96.4% *votes for*	3.6% *votes withheld*

Don Kayne

Age: 61
Delta, BC
Canadian
Director: since 2016
Independent

Key skills and experience

- Enterprise leadership
- Human resources and executive compensation
- International business
- Investments / mergers and acquisitions
- Safety, health and environment / corporate responsibility

Don brings many years of experience as a business executive in Canada's resource industry to Cameco's board as well as valuable insights into emerging Asian markets where Cameco does business. He serves on three of our committees, including as chair of the human resources and compensation committee.

Don Kayne is the president and CEO of Canfor Corporation and the CEO of Canfor Pulp Products Incorporated. He serves as a director of both Canfor companies.

Don has extensive experience in international marketing. He has spent his entire career at Canfor, starting out as a regional sales representative in 1979. Prior to being appointed CEO, Don spent 10 years as Canfor's vice-president of sales and marketing, and is one of the lead architects of the market for British Columbia lumber in China. Don's work growing markets for Canfor products around the world has provided him with deep connections to markets and customers in every region Canfor serves.

Don is a director of the Bi-National Softwood Lumber Council, Forest Products Association of Canada, Council of Forest Industries, Alberta Forest Products Association and the BC Lumber Trade Council. Don is vice chair of the Bi-National Softwood Lumber Council and serves as chair of its programs committee. He is an audit committee member and the former board chair of the Forest Products Association of Canada. He is also chair of the charitable organization Educating Girls of Rural China Foundation, which works to transform the lives of women and communities in rural areas of western China by providing access to education. Don brings experience in human resources and executive compensation through his senior executive roles at Canfor.

Board and committee membership	2018 Attendance		
	Regular	Special	Overall
Board of directors	8 of 8	3 of 3	100%
Human resources and compensation (chair)	5 of 5	1 of 1	100%
Reserves oversight	2 of 2	1 of 1	100%
Safety, health and environment	3 of 3	1 of 1	100%

Other public company boards in past five years

Canfor Corporation* (TSX)	2017 to present
Canfor Pulp Products Incorporated* (TSX)	2017 to present

* Canfor Corporation holds a controlling interest in Canfor Pulp Products Incorporated. The entities share an executive team and committee assignments, and board meetings are held concurrently.

Securities held

Year	Cameco shares	DSUs	Total shares and DSUs	Total value of shares and DSUs	Multiple of 2018 annual retainer	Share ownership guideline compliant[1]
2018	–	50,160	50,160	$776,477	3.9x	✓ Yes
2017	–	32,935	32,935	$382,378		
Change	–	17,225	17,225	$394,099		

1 For evaluating compliance with Cameco's share ownership guidelines, Don's shares and DSUs held at December 31, 2018 are valued at $780,581 and represent 3.9x the board member retainer of $200,000.

2018 Voting results

93.7% *votes for*	6.3% *votes withheld*

Anne McLellan

Age: 68
Edmonton, AB
Canadian
Director since: 2006
Independent

Key skills and experience

- Board / corporate governance
- Stakeholder relations / government / public policy
- Legal / regulatory
- Human resources and executive compensation
- Enterprise leadership

Anne is a lawyer and corporate director and brings a rich and broad perspective on business and governance to Cameco's board through her work experience and distinguished career in public service and higher education in Canada. Anne held a number of ministerial portfolios and also served as former deputy prime minister of Canada.

The Honourable Anne McLellan has served as the Chancellor of Dalhousie University since May 2015. She is a former deputy prime minister of Canada and has held several senior cabinet positions, including federal Minister of Natural Resources, Minister of Health, Minister of Justice and Attorney General of Canada, and federal interlocutor of Métis and non-status Indians. She previously served as a distinguished scholar in residence at the University of Alberta in the Alberta Institute for American Studies and is a senior advisor at the national law firm Bennett Jones LLP.

Anne holds a bachelor of arts degree and a law degree from Dalhousie University, and a master of laws degree from King's College, University of London. In addition to her extensive experience in federal administration and policy, Anne is the board chair of Pearson College and is also the chair of the board for the Institute for Research and Public Policy, a non-partisan think tank based in Montreal. Anne served on the board of the Edmonton Regional Airport Authority, Canada's fifth largest airport, from 2008 to 2015 where she served as chair of the governance and compensation committee. Anne served as chair of the environment, health, safety and security committee at Agrium Inc. prior to its merger with Potash Corporation of Saskatchewan Inc.

Board and committee membership	2018 Attendance Regular	Special	Overall
Board of directors	8 of 8	1 of 3*	82%
Human resources and compensation	5 of 5	1 of 1	100%
Nominating, corporate governance and risk (chair)	5 of 5	2 of 2	100%

* Anne missed two special meetings because of short notice. Subsequent to each meeting, she was briefed on the business conducted at the meeting.

Other public company boards in past five years

Nutrien Ltd.* (TSX)	2018 to present

* Anne was a director of Agrium Inc., a predecessor company to Nutrien Ltd., from 2006 to 2017, and serves as a director of the newly-formed company following the merger with PotashCorp. on January 1, 2018.

Securities held

Year	Cameco shares	DSUs	Total shares and DSUs	Total value of shares and DSUs	Multiple of 2018 annual retainer	Share ownership guideline compliant[1]
2018	100	48,304	48,404	$749,294	3.7x	✓ Yes
2017	100	43,761	43,861	$509,227		
Change	–	4,543	4,543	$240,067		

1 For evaluating compliance with Cameco's share ownership guidelines, Anne's shares and DSUs held at December 31, 2018 are valued at $1,090,737 and represent 5.5x the board member retainer of $200,000.

2018 Voting results

95.9% *votes for*	4.1% *votes withheld*

2018 Meetings and attendance

We believe that an active board governs more effectively. Directors are expected to attend 100% of board meetings, all of their committee meetings and the annual meeting of shareholders.

Directors can participate by teleconference if they are unable to attend a meeting in person. The board must have a majority of directors in attendance to hold a meeting and transact business.

The table below is a summary of the 2018 meetings and attendance.

	Number of meetings		Overall meeting attendance
	Regular	Special	
Board	8	3	98%
Audit and finance	4	3	100%
Human resources and compensation	5	1	100%
Nominating, corporate governance and risk	5	2	94%
Reserves oversight	2	1	100%
Safety, health and environment	3	1	100%
Total	**27**	**11**	**99%**

The table below summarizes the meeting attendance for each director in 2018. The independent directors met *in camera* at each board and committee meeting.

The board chair is an ex-officio member of each board committee. Neil McMillan attended 12 committee meetings from January to April 2018, and Ian Bruce attended 15 committee meetings as chair-elect or ex-officio member.

Board committees function independently of management, so Tim Gitzel, our president and CEO, is not a member of any board committee. He is invited to attend all committee meetings.

Name	Board meetings		Committee meetings		Total board and committee meetings	
Ian Bruce	11 of 11	100%	22 of 22	100%	33 of 33	100%
Daniel Camus	11 of 11	100%	20 of 20	100%	31 of 31	100%
John Clappison	11 of 11	100%	14 of 14	100%	25 of 25	100%
Donald Deranger	11 of 11	100%	10 of 10	100%	21 of 21	100%
Catherine Gignac	11 of 11	100%	14 of 14	100%	25 of 25	100%
Tim Gitzel	11 of 11	100%			11 of 11	100%
Jim Gowans	11 of 11	100%	12 of 14[1]	86%	23 of 25	92%
Kate Jackson	11 of 11	100%	17 of 17	100%	28 of 28	100%
Don Kayne	11 of 11	100%	13 of 13	100%	24 of 24	100%
Anne McLellan	9 of 11[1]	82%	13 of 13	100%	22 of 24	92%
Neil McMillan[2]	4 of 4	100%	15 of 15	100%	19 of 19	100%

1. All missed meetings were special meetings called on short notice and directors who were unable to attend were briefed on the matters following the meeting.
2. Neil McMillan retired from the board on May 16, 2018.

Director development

Our directors are knowledgeable about issues affecting our business, the nuclear industry, governance, compensation, and related matters. We believe that our education program gives them additional knowledge to help effectively oversee our affairs and stay abreast of important developments and issues within the context of our business.

Orientation

Our onboarding and orientation program familiarizes new directors with Cameco, issues facing the company, our strategy, culture and values, and what we expect of individual directors, the board and committees. All new directors receive orientation so they can be fully engaged and contribute to the board and committees in meaningful ways.

New directors receive orientation that includes:

- a company and board orientation session on our corporate organization and history, culture and values, strategy and business, director expectations and corporate governance practices
- a director manual with information about Cameco and the uranium and nuclear industries, including copies of our recent regulatory filings, financial statements, governance documents and key policies
- a two-day nuclear industry seminar presented by management, in years when it is offered
- round-table discussions with committee chairs and appropriate management representatives for each committee the new director joins.

Under the mentorship aspect of our orientation program, we pair each new director with a longer serving director to supplement his or her orientation sessions with real-time ongoing practical support.

All directors can participate in any part of the orientation program. Existing directors who join new committees also attend round table discussions, if required.

Continuing education

The board recognizes the importance of continuing education for directors. Directors enhance their understanding of our business throughout the year by attending:

- seminars provided by management that cover issues relating to key business decisions, strategic planning and enterprise risks
- seminars on topics directors request
- Cameco-operated facility or other nuclear facility tours
- external conferences and seminars
- informal social gatherings with senior management.

The nominating, corporate governance and risk committee is responsible for the board education program, which includes a budget and approval process. Educational needs are identified through a self-assessment questionnaire, in individual meetings with either the chair of the board or the chair of the nominating, corporate governance and risk committee and in board and committee meetings. The corporate secretary maintains a calendar of educational opportunities for the directors that includes information about relevant conferences, webinars and other events.

Management made presentations to the board and committees during the year that were aimed at expanding the board's knowledge of the business, the industry and the key risks and opportunities facing Cameco. Published materials that are likely to be of interest to directors are sent to them or are included in meeting materials as supplemental reading. Directors also enhance their practical knowledge of Cameco's operations and the nuclear industry through visits to Cameco-operated facilities or other nuclear facilities.

We pay for the cost of director education, including the cost to attend conferences or seminars the board deems appropriate for directors to keep abreast of developments in the uranium and nuclear industries, corporate governance and the best practices relevant to their contribution to the board generally and their responsibilities on specific committees. Our directors attend courses and programs offered by the Institute of Corporate Directors (ICD), the National Association of Corporate Directors (NACD) and other education providers to stay current on developments in governance and areas relating to their committee responsibilities.

Our directors also attended the following continuing education sessions in 2018:

2018 DIRECTOR DEVELOPMENT	PRESENTED/HOSTED BY	ATTENDED BY
Nuclear industry		
World nuclear association annual conference	World nuclear association (WNA)	Tim Gitzel
World nuclear fuel cycle conference	Nuclear Energy Institute / WNA	Tim Gitzel
Small modular reactors	Management presentation	All directors
Evaluating strategies re US nuclear leadership in commercial, licensing, safeguards and controls	American Association for the Advancement of Science (AAAS) / Carnegie Mellon University	Kate Jackson
Governance		
Disclosure effectiveness and shareholder engagement in the digital era	NACD	Anne McLellan
Effective board oversight in the era of #metoo	ICD	Anne McLellan
Executive pay trends and issues	Hugessen Consulting	John Clappison
The investor's perspective	PwC with Mark Machin of CPPIB	John Clappison
Evolving board priorities	KPMG	John Clappison
Audit and finance		
Key performance indicators – tool for audit committees	Management presentation	Audit and finance committee members
Audit committee roundtable	KPMG	Catherine Gignac
Audit quality indicators	Canadian Public Accountability Board (CPAB)	John Clappison
Financial modelling for the mining industry	Prospectors & Developers Association of Canada (PDAC)	Jim Gowans
Economic and market		
Canada Kazakhstan business council	Canada Eurasia Russia Business Association (CERBA)	Ian Bruce Tim Gitzel
Fortune global forum	Fortune Magazine	Catherine Gignac
The *Sky* scenario: how to meet the Paris goal	Shell	Kate Jackson
Risk		
Machine learning and artificial intelligence	Primary Industries session	Ian Bruce
The Digital Director: cybersecurity and social media for directors	ICD	John Clappison Catherine Gignac
Cybersecurity	Management presentation	Human resources & compensation committee members
Cybersecurity risk management	KPMG	Kate Jackson
Critical infrastructure protection	North American Electric Reliability Corporation (NERC)	Kate Jackson
Mining and operations		
Key performance indicator update - Blind River Refinery safety culture	Management presentation	Safety, health and environment committee members
Mining executive and director forum	KPMG	Catherine Gignac
Mining industry forum	CPAB	John Clappison

Governance at Cameco

We believe that sound governance is the foundation for strong corporate performance. This section tells you about three key elements of governance at Cameco: our shareholder commitment, our governance principles, and how our board operates.

The nominating, corporate governance and risk committee ensures our governance policies and practices are sound and support the board in carrying out its duties. The committee monitors changing regulations and emerging best practices. The committee reviews our corporate governance guidelines annually and the board approves any changes as appropriate.

Where to find it

WHAT WE DO

Independent board – eight of our nine nominated directors (89%) are independent	✓
Non-executive chair leads the board – we maintain separate chair and CEO positions and have had a non-executive, independent chair of the board since 2003	✓
Share ownership – we require our directors and executives to own shares, or have an equity interest, in Cameco to align their interests with those of our shareholders and share ownership is disclosed	✓
Majority voting for directors – the board adopted a majority voting policy in 2006	✓
Strong risk oversight – the board and committees oversee our risk management program and strategic, financial and operational risks	✓
Formal assessment process – the directors assess the board, committees and individual director performance	✓
Independent third-party review – the director assessment process includes an independent third-party effectiveness assessment every three years	✓
Serving on other boards – we limit the number of other public company boards our directors can serve on, and serve on together	✓
Director recruitment and board succession – we have term limits and a retirement policy for directors	✓
Diverse board – our board has a diverse mix of skills, background and experience and 33% of this year's director nominees are female	✓
Independent advice – board committees have full authority to retain independent advisors to help them carry out their duties and responsibilities	✓
Code of conduct and ethics – directors, officers and employees must comply with our code of conduct and confirm their compliance every year	✓
Long-standing shareholder engagement – we communicate openly with shareholders and other stakeholders	✓
Say on pay – we have held an advisory vote on our approach to executive compensation every year since 2010	✓

WHAT WE DON'T DO

No slate voting – directors are individually elected	x
No overboarding of directors – no director sits on more than three other public company boards	x
No stock option awards for directors	x

Our shareholder commitment

We believe in transparency, integrity and strong stewardship, and are committed to maintaining a strategic focus that elevates the economic value of our assets and respects environmental and social matters for the benefit of all stakeholders.

Shareholder engagement

We recognize the importance of strong and consistent engagement with shareholders. We communicate openly with shareholders and other key stakeholders. Our goal is to provide shareholders with clear information about our governance and compensation practices, and to continuously improve our practices and our disclosure.

As part of our long-standing objective of open communication, the board invites shareholders and other stakeholders to engage with board representatives by contacting the corporate secretary at ***corporate_secretary@cameco.com***, or by writing to us at our head office address below.

We receive feedback from shareholders through one-on-one or group meetings with the chair of the board and other directors and/or members of management, as needed. We reply promptly to shareholder concerns and take appropriate action. Shareholders, employees and other interested parties can confidentially write to the chair of the board, the committee chairs or the independent directors as a group.

Send your sealed envelope to our corporate office:

Cameco Corporation
2121-11th Street West
Saskatoon, SK S7M 1J3

Private and strictly confidential
Attention – Chair of the board of directors

You can use this address to write to the chair of the **audit and finance committee** or the **human resources and compensation committee** – make sure you mark on the envelope to whom you are directing the letter. Envelopes will be delivered unopened to the appropriate party.

Engagement activities

Our engagement activities include:

- senior management holds quarterly conference calls and webcasts with the investor community to review our most recently released financial and operating results
- senior management also holds conference calls and webcasts with the investor community when required to address other material company matters
- our management team speaks at industry and investor conferences about public information on our business and operations
- senior management and our investor relations group engage with investors throughout the year to provide public information on our business
- senior management conducted meetings following our 2018 annual meeting with Glass Lewis & Co., LLC and Institutional Shareholder Services (ISS), two proxy advisory firms that provide voting and other governance advice to institutional investors, to maintain a dialogue on governance and compensation matters
- we have held a 'say on pay' advisory vote on our approach to executive compensation every year since 2010, and have consistently received strong approval ratings (over 93% in 2018) (*see page 6 for details about this year's advisory vote*).

Senior management also issues news releases throughout the year to report material information about Cameco, consistent with our commitment to communicating openly and on a timely basis to shareholders and other stakeholders (*see page 28 to read more about our disclosure practices*).

Say on pay

We have held an advisory vote on 'say on pay' every year since we introduced it in 2010 and have received over 88% support every year. We monitor developments in executive compensation and evolving best practices to make sure our programs and decisions are appropriate. We do a risk assessment of our executive compensation program every year and review our compensation programs and governance to reflect changes in the market and best practices and changes in our business strategy.

You can write to the board or committee chair about your views on executive compensation (*see board contact details above*).

Disclosure

We are accountable to our shareholders, employees and the public and we demonstrate our commitment to them through sound governance practices, open and timely public disclosure, and by providing complete, accurate and balanced information in our disclosure documents.

The audit and finance committee is responsible for overseeing our review of our disclosure controls and procedures once a year and recommending any significant changes to the board for approval.

Our disclosure committee includes members of senior management and is responsible for:

- reviewing all news releases and public filings containing material information prior to their release
- evaluating the design and effectiveness of our disclosure controls and procedures to make sure they continue to provide reasonable assurance that information is gathered promptly and accurately, so we can make appropriate public disclosure that complies with legal requirements
- providing regular updates on our public disclosure to the audit and finance committee.

Each board committee reviews the material public disclosure relevant to its mandate before the board considers it for approval:

- the audit and finance committee reviews the annual and interim financial statements, management's discussion and analysis (MD&A) and related news releases
- the safety, health and environment committee reviews the sustainable development report
- the reserves oversight committee reviews the reserve and resource estimates and technical reports
- the human resources and compensation committee and the nominating, corporate governance and risk committee review this management proxy circular.

The board also reviews and approves the following publicly-filed documents:

- prospectuses
- annual information forms
- US Form 40-F filings
- other disclosure documents that must be approved by the directors according to securities laws, securities regulations or stock exchange rules.

The CEO and the CFO meet regularly with investment analysts and institutional investors. Our website (cameco.com) has information for shareholders, investment analysts, media and the public. Our Investor Relations department also provides information to shareholders and responds to general questions or concerns.

You can contact our Investor Relations department by:

Phone:	306.956.6340
Fax:	306.956.6318
Email:	go to the ***Contact*** section of our website and complete the email form.

Separate chair and CEO positions

We believe that separating the chair and CEO roles provides stronger leadership, fosters more effective decision-making, avoids conflicts of interest, and allows for more effective oversight and the ability to hold management accountable for the company's activities (you can read more about the independent chair on page 31). The chair and CEO positions each have a formal position description that describes the terms and responsibilities of the role. These are available on our website (***cameco.com/about/governance***).

Voting results

We promptly disclose the voting results of our shareholder meetings. We will disclose the voting results on the items of business at this year's meeting in our report on the 2019 annual meeting, which will be released shortly after the meeting. Go to our website (***cameco.com/invest/2019-annual-meeting***) or on SEDAR (***sedar.com***) following the meeting to see the voting results.

Shareholder proposals

Shareholders who meet eligibility requirements under the CBCA can submit a shareholder proposal as an item of business for our annual shareholder meeting in 2020. Proposals must be submitted to our corporate secretary by January 6, 2020 for next year's annual meeting. Shareholder proposals that comply with the CBCA requirements and are received by that date will be printed in the management proxy circular we send to shareholders next spring along with our responses.

Accessing our governance and other regulatory disclosure

Our key governance documents are available on our website (***cameco.com/about/governance***):

- articles and bylaws
- our governance framework
- our governance guidelines
- our code of conduct and ethics
- the mandates of the board and its committees
- definition of independent director and related definitions
- board diversity policy
- board education program
- position descriptions for the board chair and the CEO
- director and executive share ownership guidelines
- executive incentive compensation recoupment policy.

Our publicly-filed disclosure documents are also available on our website (***cameco.com***), and on SEDAR (***sedar.com***) and EDGAR (***sec.gov/edgar.shtml***), including:

- 2018 annual report, which includes financial information about us, as provided in the audited financial statements and MD&A for our most recently completed financial year
- subsequent quarterly reports
- our most recent annual information form, particularly the *Governance – About the audit and finance committee* section which has additional information about our audit and finance committee, the audit and finance committee mandate in Appendix A, and other information required by Canadian securities regulators
- our code of conduct and ethics, articles of incorporation and the bylaws, and the board committee mandates
- our voting results following the annual meeting of shareholders.

Filings with the US Securities and Exchange Commission (SEC) are available under company filings on the SEC website (***sec.gov***).

You can request free printed copies of these documents by writing to the corporate secretary at ***corporate_secretary@cameco.com***, or at Cameco Corporation, 2121-11th Street West, Saskatoon, SK S7M 1J3.

Our governance principles

Code of conduct and ethics

Our code of conduct and ethics sets out our principles and guidelines for ethical behaviour under the law, within Cameco, with our shareholders, our communities and the public, and with our customers, partners, contractors, suppliers and competitors.

We review the code every year and promptly communicate any changes. All new employees and board members receive training on the code and are required to certify that they will comply with the code when they join the company or the board. Directors and employees declare any business or personal interests that would create a conflict of interest, and plans are put in place to mitigate any potential conflicts.

Directors, officers and employees who have senior management responsibilities or work in supply chain management, internal audit, finance/treasury/tax, business technology services, marketing, corporate development, legal, human resources and our executive offices review the code and complete a declaration form every year. The review includes on-line training on key issues such as fraud prevention, privacy matters, acceptable gifts and invitations from vendors, and respectful workplace matters. In 2018, all employees were required to review the code and complete a declaration.

Employees are encouraged to discuss any concerns or potential violations of the code with their supervisor, manager or human resources representative, or notify the legal or internal audit departments, or any member of the executive. If they are uncomfortable doing so, or if they are not satisfied with the action taken to address their concerns, anyone, at any time, can report a concern or violation of the code confidentially and anonymously online, by phone or by mail through our ethics (whistleblower) hotline.

Our conduct and ethics committee reviews concerns and investigates ethics-related matters under the direction of the audit and finance committee. The audit and finance committee reviews concerns relating to senior management and directors.

Compliance

We are a public company and our shares trade on the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE). We comply with applicable corporate governance guidelines and requirements in Canada and the United States, including:

- the corporate governance standards that apply to Canadian companies listed on the TSX
- the requirements of the *Sarbanes-Oxley Act of 2002* (SOx)
- the NYSE corporate governance standards that apply to foreign private issuers registered with the Securities and Exchange Commission (SEC) in the US.

We also voluntarily comply with most of the NYSE corporate governance standards that apply to US issuers, with the following exceptions:

- *director independence standards* – we generally comply with the NYSE standards
- *shareholder approval of equity compensation plans* – we comply with the TSX rules, which require shareholders to approve equity compensation plans only if they involve newly issued securities. The NYSE standards require shareholders to approve the plans and any material revisions, whether or not the securities issued under the plans are newly issued or purchased on the open market, subject to a few limited exceptions
- *appointment of auditors* – we comply with the CBCA, which requires that the auditors be appointed by the shareholders at the company's annual meeting. The NYSE standards require the audit committee be directly responsible for the appointment of any registered accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services. However, there is an exception for foreign private issuers that are required under a home country law to have auditors selected according to home country standards. Our audit and finance committee is responsible for evaluating the auditors and recommending the appointment of the auditors to the board, who recommends the appointment to shareholders.

Governance guidelines

The board has formal governance guidelines that set out our approach to governance and the board's governance role and practices. The guidelines ensure we comply with the legal requirements and standards listed above, conduct ourselves in the best interests of Cameco and meet industry best practices. The guidelines are reviewed and updated regularly.

Independence

We believe that a substantial majority of our directors must be independent for the board to be effective and that the audit and finance committee, human resources and compensation committee, and nominating, corporate governance and risk committee must be 100% independent. The majority of our directors are unrelated to Cameco.

A director is independent if he or she does not have a direct or indirect material relationship with us. A relationship is material if it could reasonably interfere with a director's ability to make independent decisions, regardless of any other association he or she may have. Our independence criteria meet the standards of the Canadian Securities Administrators as set out in Multilateral Instrument 52-110 – *Audit Committees*, National Policy 58-201 – *Corporate Governance Guidelines* and the NYSE corporate governance standards, including the NYSE standards on the independence of human resources committee members introduced in 2013.

We review our independence criteria and director status every year, and you can find our complete definition of independence on our website (***cameco.com/about/governance/governance-guidelines***).

Independent chair

The board appoints the independent chair to help it function independently of management. We have had a non-executive, independent chair of the board since 2003.

The chair has various duties and responsibilities:

- leading, managing and organizing the board consistent with our approach to governance
- encouraging high performance and commitment of all directors
- presiding as chair at all board and shareholder meetings
- overseeing the board's strategic focus to ensure that it represents Cameco's best interests
- helping to set the tone and culture of Cameco
- overseeing the board's procedures so it can carry out its work effectively, efficiently and independently of management
- overseeing all board matters so they are properly addressed and brought to resolution as required
- requiring any matters delegated to the board committees to be properly carried out
- acting as the liaison between the board and the CEO and providing advice, counsel and mentorship to the CEO
- meeting with shareholders and other stakeholders in consultation with management
- participating in the recruitment and orientation of new directors
- ensuring that Cameco provides timely and relevant information and access to other resources to support the board's work.

You can access a copy of the chair's position description on our website (***cameco.com/about/governance/chairs-role***).

How the board operates

The board is responsible for overseeing management and our strategy and business affairs. Its goal is to ensure we operate as a successful business, optimizing financial returns while effectively managing risk.

The board encourages open dialogue and works within a climate of respect, trust and candour. The board fulfills its duties by:

- maintaining a governance framework that establishes broad areas of responsibility and has appropriate checks and balances for effective decision-making and approvals
- making decisions that set the tone, character and strategic direction for Cameco
- approving the vision, mission, value statements and enterprise-level policies developed by management
- regularly monitoring management, including its leadership, recommendations, decisions and execution of strategies to ensure that they carry out their responsibilities and deliver shareholder value.

The board carries out its responsibilities directly and through its five standing committees. This provides proper oversight and accountability for specific aspects of governance, risk and Cameco's business activities and affairs, and frees up the board to focus more on our strategic priorities, broader oversight of enterprise risk and other matters (*see Role of the board and Board committees beginning on pages 38 and 43, respectively*).

The board and committees meet *in camera* without management present at all meetings, including those held by teleconference.

Board composition

Independence

All of the nominated directors are independent, except for our president and CEO, Tim Gitzel (see page 31 to read about our principles on independence).

Board chair

Ian Bruce has been our independent, non-executive chair of the board since May 2018. He has been an independent member of the board since 2012 and has diverse experience through his work as a certified public accountant and chartered business evaluator working in investment banking and specializing in corporate finance and mergers and acquisitions in the oil and gas industry. He also served as a CEO in the investment banking industry. His letter to shareholders begins on page 1.

Neil McMillan's term as board chair ended at the close of our 2018 annual general meeting, and Ian Bruce was selected by the board to succeed him.

The board undertook a process in 2017 to confirm the list of preferred characteristics and qualities and selection process for the next board chair. Anne McLellan, chair of the nominating, corporate governance and risk committee, led the board process for selecting the new board chair. The process was based on five principles: fairness and transparency, consensus building, free and unfettered discussion, confidentiality, and the importance of the chair/CEO relationship. The process focused on internal candidates since the directors believed that there were appropriate successors on the current board and preferred to select a new chair with existing knowledge of Cameco.

Anne conducted one-on-one interviews with each director to solicit input for developing the selection criteria for the new chair. The selection criteria included specific competencies, experiences and attributes that the board members identified as important at this particular stage for Cameco, which Anne reviewed with each director in follow-up interviews to solicit feedback on an appropriate successor. Once Anne presented the insights and feedback to the nominating, corporate governance and risk committee for review and discussion, the committee made a recommendation to the board. The committee's recommendation resulted in the selection of Ian Bruce as the board chair. You can read about Ian's background and experience in his profile on page 14.

Skills, attributes and experience

A board that has certain core qualities and a broad mix of skills and experience is best equipped to oversee our strategic direction, understand issues that can arise with a company of our size and complexity, and make informed decisions.

Core attributes

All of our directors are expected to possess the following core attributes that are fundamental to serving on our board:

BUSINESS JUDGMENT	**INTEGRITY AND ACCOUNTABILITY**	**ENGAGEMENT**
Track record of leveraging experience and wisdom in making sound strategic and operational business decisions. Demonstrates business acumen and a mindset for risk oversight.	Demonstrates good character and insists on high ethical standards, recognizes and avoids potential and actual conflicts of interest, maintains strict confidentiality, is accountable for board decisions, acts in Cameco's best interests and maintains public confidence and goodwill of Cameco's shareholders and other stakeholders.	Actively participates in meetings and develops a strong understanding of Cameco's business. Demonstrates an information-seeking orientation and knowledge of current issues and trends respecting public companies. Exhibits familiarity with international, national and local affairs.
COMMITMENT	**TEAMWORK**	**COMMUNICATION**
Availability and willingness to travel, attend and contribute to board and committee functions and take leadership roles as required.	Demonstrates perception, acuity, tact and rapport to build constructive working relationships and dynamics that engender mutual trust, respect and contribution. Demonstrates an orientation toward resolving differences of opinion, forging consensus, reaching solutions and maintains resiliency and composure under difficult circumstances.	Ability to listen carefully, raise questions constructively and encourage and build upon open discussion of key issues.
INDEPENDENT-MINDEDNESS	**FINANCIAL LITERACY**	**RECORD OF ACHIEVEMENT**
Willingness to formulate or maintain one's own views and to challenge the prevailing opinion.	Ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Cameco's financial statements. Knowledge of IFRS and an understanding of internal controls and procedures for financial reporting.	Has a history and reputation of achievement that demonstrates the ability to perform at the highest level and that reflects high standards for one's self and for others.

Competency matrix

The board uses a competency matrix to assess composition and ensure it has an appropriate mix of skills and competencies to govern effectively and be a strategic resource for Cameco. The nominating, corporate governance and risk committee reviews director competencies every year to ensure they continue to meet Cameco's needs.

Each director completes an annual assessment of his or her competencies using detailed guidelines. Directors are expected to assess themselves as having expert knowledge, strong knowledge, or basic knowledge on each competency. The nominating, corporate governance and risk committee chair or the board chair reviews each director's assessment with him or her and the committee reviews the results for consistency.

The table on the next page shows the profile of the proposed board, including the categories and descriptions of essential skills and experience and the percentage of nominated directors who have indicated their level of knowledge as expert or strong in each category. Directors' profiles on pages 14 through 22 set out the key skills and experience that each individual director brings to the board.

Skills and experience	Directors with expert or strong knowledge
Board / corporate governance Prior or current director of a major organization with mature governance practices	9 (100%)
International Experience with, or strong understanding of, international operations, economics, commodity trading and geo-politics, preferably in countries or regions where we have or are developing operations	
Investments / mergers and acquisitions Experience in the field of investment banking or with mergers and acquisitions, evaluation of investment strategy, and capital allocation, structure and markets	
Investor relations Experience with, or strong understanding of, the perspectives of major, long-term and other investors, capital markets, and the investment community, both domestically and internationally, and in shareholder engagement	
Risk oversight Experience in risk governance, including monitoring both strategic and operational / compliance risks	
Capital projects Experience overseeing and evaluating large capital projects and in project management	8
Enterprise leadership Experience, whether as a prior or current CEO or senior officer or otherwise, of a large public company or major organization with a track record of value creation and successful implementation of strategic direction	
Human resources and executive compensation Thorough understanding of executive compensation, the oversight of succession planning, talent development and retention, and pension programs	
Legal / regulatory Experience ensuring compliance with laws, regulations and business rules	
Safety, health and environment / corporate responsibility Experience in, or strong understanding of, leading safety, health and environmental practices, associated risks and regulatory requirements, and in sound corporate responsibility and sustainable development practices, advocacy and reporting	
Stakeholder relations / government / public policy Experience in, or a strong understanding of, the workings of government and public policy both domestically and internationally, and in stakeholder engagement or management	
Uranium / nuclear Strong knowledge of markets, competitors, business issues and imperatives, and the domestic and international regulatory environment	
Financial acumen Experience, whether as a professional accountant, CFO or otherwise, in financial accounting and reporting, including internal controls, IFRS, evaluation of financial statements and corporate finance	7
Mining, exploration and operations Experience with a leading mining or resource company with reserves, technology, exploration and operations expertise	6
Operational excellence Experience in a complex chemical or nuclear operating environment, creating and maintaining a culture focused on safety, the environment and operational excellence	

Board diversity

A board with a diverse mix of skills, background, experience, gender and age, that also reflects the evolving demographics and geographic areas where we carry out business, is important for sound decision-making and good governance.

The board adopted a formal written diversity policy in February 2014. The policy was most recently amended in 2018. The amendments included an increase of the target level of female representation from 25% to 30%.

The nominating, corporate governance and risk committee reviews board diversity every year. It recommends measurable objectives for enhancing diversity, including objectives for female, indigenous, geographic and age representation. As required under the diversity policy, the committee reviews our progress in achieving these objectives as part of the annual board and committee evaluations and also refers to the objectives when selecting new director candidates.

Female representation

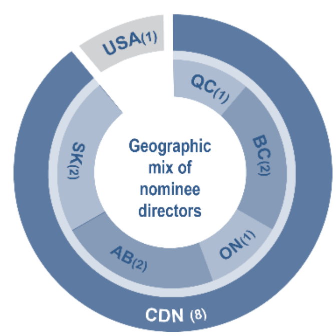
The board believes gender diversity is important, and our diversity policy requires at least 30% of directors to be female. Our most recent addition to the board in 2017 was a woman and we currently have three female directors, representing 33% of the nominated directors.

Indigenous representation

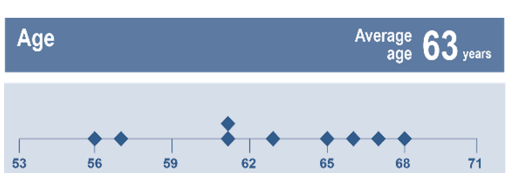
The board is committed to building long-lasting and trusting relationships with communities where we operate, and a significant portion of Cameco's operations are in northern Saskatchewan. Our diversity policy requires at least one director to have an indigenous background and be from Saskatchewan to bring an understanding of the culture, heritage, values, beliefs and rights of the local indigenous peoples to the board. We have one indigenous director.

Geographic representation

The board also believes it is important to have directors with experience living or working in jurisdictions where we operate or do business. Our diversity policy requires the board to have directors with extensive experience in geographical areas where Cameco has or anticipates having significant business interests. Don Kayne was appointed to the board in January 2016, and brings extensive experience in the emerging Asian markets, including China. Kate Jackson was appointed to the board in January 2017 and brings a deep knowledge of the US nuclear industry.



Our board is subject to, and complies with, the terms of the *Investment Canada Act* and the *Uranium Non-Resident Ownership Policy*, which require at least two-thirds of our directors to be Canadian citizens, and the CBCA, which requires at least half of our directors to be Canadian residents.



Age

While the board recognizes the correlation between age and experience, it believes that directors of different ages bring a wider range of viewpoints. Our diversity policy requires the board to represent a range of ages.

Board refreshment and the nomination process

The board recognizes the need to balance the benefit of experience and the need for new perspectives. The nominating, corporate governance and risk committee is responsible for ensuring that the board's succession planning process and policy on tenure and retirement provide for board refreshment that meets our ongoing needs. The committee is also responsible for the annual review of board composition and the nomination process.

Term limits and retirement

Directors are not nominated for election at an annual meeting after they complete 15 years of continuous service or turn 72, whichever is earlier. In exceptional circumstances, if it is in Cameco's best interest, the board has the discretion to nominate a director for re-election for an additional one-year term after age 72 or 15 years of service. The term for serving as board chair is five years regardless of the director's age or years of service. The CEO typically resigns from the board when he or she retires from Cameco.

Director recruitment and board succession

The nominating, corporate governance and risk committee is responsible for overseeing board succession. It reviews the director competency and attribute matrix regularly to ensure that the board has the right mix of diversity, skills and experience. It also monitors upcoming director retirements to identify specific skills that may be desirable in new recruits.

The committee is responsible for the recruitment process. It keeps an evergreen list of suitable candidates based on their skills, experience, character, integrity, judgment, record of achievement, diversity and other qualities or qualifications that would enhance overall composition and oversight capabilities of our board and considers any recommendations made by shareholders.

The committee follows established guidelines and procedures for recruiting and selecting the best candidates. An external search firm is usually retained to cast a wide net to bring forward the best candidates. The committee also follows a tiered interview process to determine the most suitable candidates. The committee approves the list of candidates to be interviewed, a selection committee (consisting of the chair of the board, committee chair and the CEO) interviews the candidates, and further interviews are conducted by the nominating, corporate governance and risk committee and other committee chairs if necessary.

Three directors have joined the board in the last five years, increasing the board's diversity and broadening its skills in mergers and acquisitions, marketing and sales, operational excellence, and mineral resource estimation. The new directors also have senior leadership and CEO experience as well as experience in mining and exploration, the nuclear industry and international business.

Nomination process

The nominating, corporate governance and risk committee is responsible for recommending the candidates for nomination on an annual basis. Part of the committee's process includes reviewing the list of potential conflict situations, as well as a report on actual and potential conflicts of interest, before making recommendations on the director nominees for election by shareholders.

Shareholders may at any time submit to the board the names of individuals for consideration as directors. The committee will consider any submissions when assessing the diversity, skills and experience required on the board to enhance overall composition and oversight capabilities.

Shareholders who collectively own more than 5% of Cameco's outstanding shares may nominate individuals to serve as directors and have their nominations included in Cameco's proxy circular for its annual meeting by submitting a shareholder proposal in compliance with the provisions of the CBCA. We did not receive any shareholder proposals for this year's meeting. The deadline for shareholder proposals for the 2020 annual meeting of shareholders is January 6, 2020.

Our by-laws require shareholders who wish to nominate directors to give advance notice of the nominations. These requirements are intended to provide a transparent, structured and fair process with a view to providing shareholders an opportunity to submit their proxy voting instructions on an informed basis. In accordance with the by-laws, written notice of the nominations must be provided to Cameco's corporate secretary no later than 30 days and no more than 65 days prior to the date of the annual meeting and must include the information prescribed in the by-laws. Our by-laws are available on our website (***cameco.com/about/governance***) and are filed on SEDAR (***sedar.com***).

Our expectations of directors

We expect each member of the board to act honestly and in good faith, and to exercise business judgment that is in Cameco's best interest. We expect directors to bring their skills, experience and functional expertise to the board and to draw on a variety of resources to support their decision-making, including materials prepared by management, their own research and business experience, independently-prepared media reports on Cameco and the industry, and knowledge gained from serving on other boards.

We also expect each director to:

- comply with our code of conduct and ethics
- promptly report any perceived, potential or actual conflicts of interest
- develop an understanding of our strategy, business environment, operations, performance, financial position and the markets we operate in
- diligently prepare for each board and committee meeting
- attend all board meetings, their committee meetings and the annual meeting of shareholders
- actively participate in each meeting, and seek clarification from management and outside advisors to fully understand the issues
- participate in our board education program
- participate in the board, committee and director assessment process.

Avoiding conflicts of interest

Directors do their best to avoid situations where their interests might conflict with their duty to act in Cameco's best interest. Each director must promptly report a potential, perceived or actual conflict of interest to the corporate secretary and not participate in any discussions or decisions about the matter.

The corporate secretary maintains a list of issues and potential conflict situations, and monitors them on an ongoing basis. The corporate secretary helps identify when actions may be desirable and consults with legal counsel if necessary to determine whether a director has a conflict.

Serving on other boards

Our directors do not serve on the boards of competitors and cannot join organizations or groups that may have adverse interests, unless they have the board's permission. Our governance guidelines state that a director who is an active CEO can serve on a maximum of three public company boards, including their own board and Cameco's board. Our CEO can only serve on one other board with the consent of the Cameco board. The board approved Tim Gitzel's appointment to the board of The Mosaic Company in October 2013. Other directors can serve on a maximum of five public company boards, including Cameco's board. Members of the audit and finance committee cannot serve on the audit committees of more than two additional public companies without the board's approval. None of the directors currently exceed any of our limits.

The board conducted a detailed review of these limits in 2016 and determined that they continue to be appropriate to avoid overboarding by directors. The chair of the board or the nominating, corporate governance and risk committee discusses board memberships with each director during his or her annual interview, including his or her commitment to the Cameco board and capacity to handle the board and committee workload.

Directors must advise the chair of the board, the chair of the nominating, corporate governance and risk committee, the CEO and the corporate secretary if they are considering a directorship with another public company. A director can temporarily exceed the limit by one directorship if he or she declares an intention to resign from, or not stand for re-election to, at least one other board as of that company's next annual general meeting.

Board interlocks

A board interlock is when directors serve together on another board. We do not currently have any board interlocks. We do not allow more than two directors to serve together on another public company board. We also do not allow directors to serve together on more than two other public company boards.

Change in position

If a director's principal occupation or business association changes substantially, the director is required to promptly offer his or her resignation to the board chair, and the board will decide whether or not to accept it.

Role of the board

The company articles require our board to have between three and 15 directors. The board has decided that nine directors are to be elected at this year's annual meeting.

Mandate

The board has a formal mandate (see Appendix B) that lists its specific duties and responsibilities including the following:

- selecting, evaluating and, if necessary, terminating the CEO
- assessing the integrity of the executive officers and ensuring there is a culture of integrity throughout Cameco
- strategic planning and monitoring our performance against the plan
- succession planning and monitoring management's performance and compensation
- approving policies and procedures to manage our risks and overseeing management's efforts to mitigate material risks.

The board reviews its mandate annually. Each board committee has a mandate that lists the responsibilities and duties of the committee and chair (effectively setting out the committee chairs' position descriptions) (*see Board committees beginning on page 43*).

Overseeing the CEO

The CEO is appointed by the board and is responsible for managing Cameco's affairs. This includes articulating our vision, focusing on creating value for shareholders, and developing and implementing a strategic plan that is consistent with the corporate vision.

Our annual objectives become the CEO's mandate from year to year, and they include specific, quantifiable goals. The CEO's objectives are reviewed by the human resources and compensation committee and approved by the board. The CEO is accountable to the board and committees, and a review of the CEO's performance that includes assessment and feedback from all directors is conducted every year. The human resources and compensation committee reviews and discusses the results of the assessment, followed by a discussion with the board. Then the board chair and/or the chair of the human resources and compensation committee meet with the CEO to discuss the results.

The board has established clear limits of authority for the CEO, and these are described in our delegation of financial authority policy. The board must approve several kinds of decisions, including:

- operating expenditures that exceed the total operating budget by more than 10%
- unbudgeted project expenditures over $10 million per transaction, or over $50 million in total per year
- cost overruns on budgeted project expenditures that are more than $15 million per transaction, or over $50 million in total per year
- any acquisition or disposition of assets over $10 million per transaction, or over $50 million in total per year.

The CEO position description is available on our website (***cameco.com/about/governance/ceos-role***).

Strategic planning

Oversight and guidance on Cameco's strategy is one of the principal roles of the board. Cameco's board collaborates with management on the planning, progress and fulfillment of our strategic goals and is actively involved in the strategic planning process.

The board sets aside the majority of its time at each meeting to discuss strategic matters with management and monitor progress on the company's strategic plan. Board members discuss and analyze the main risks facing the business, strategic issues, competitive developments and corporate opportunities. The board also discusses possible adjustments to the strategic plan in light of our progress and the current business environment.

The board measures success and fulfillment of our strategic plan by assessing our performance results against the annual corporate objectives. The board committees are also involved in the strategic planning process.

Our current strategic focus is to preserve the value of our lowest cost assets, maintain a strong balance sheet, protect and extend the value of our contract portfolio by securing a solid base of earnings and cash flow by maintaining a balanced contract portfolio that optimizes our realized price, and efficiently manage the company in a low price environment. In 2018, these strategic actions resulted in lower capital expenditures, lower direct administration and exploration costs, increased care and maintenance costs, and accumulation of significant cash on our balance sheet.

Risk

The board is responsible for overseeing risk. With support from the nominating, corporate governance and risk committee, the board is also responsible for overseeing the implementation by management of appropriate risk management processes and controls. Time is dedicated at board and committee meetings to risk identification, management, and reporting. During its strategy session at every regular meeting, the board considers strategic risks, which include risks to the key assumptions of our strategy. In 2018, the board spent a significant amount of time considering geo-political risk and market risk in light of the uncertainly of global trade matters and the uranium market outlook.

In consultation with the board, management works on enhancing its enterprise risk oversight practices, processes and controls. In 2018, the enterprise risk management (ERM) group embarked on a process review to develop program key performance indicators (KPIs) and enhance the risk identification, management and reporting process across the organization. The ERM group also established a risk working group to augment cross-functional sharing of risk identification and mitigation strategies throughout the company. The ERM group, in consultation with the board, also redefined the risk types by categorizing them into functional, tactical and strategic risks. The improved identification process should assist the board in prioritizing the time it devotes to certain matters.

Functional risks – Risks that are considered preventable, and are identifiable and quantifiable, with little to no direct strategic benefit. Board committees are assigned oversight of these risks, and those committees will receive updates on the effectiveness of the controls mitigating those risks.

Tactical risks – Risks that could threaten Cameco's medium-term objectives. They may be external and outcomes are identifiable, but uncertainty makes them difficult to assess. These risks are also assigned to the committees, and regular updates are provided, particularly if there are emerging issues.

Strategic risks – Risks that threaten the key assumptions to our strategy. They are almost always external and outcomes can vary and are difficult to quantify. Board oversight and reporting is required for the strategic risks that the board oversees like intolerable uranium price changes, loss of key personnel, change in market fundamentals, global geo-political uncertainty, and loss of stakeholder support for our operations.

The table below shows the allocation of tactical and functional risks amongst the committees. You can read about the board committees beginning on page 43 and compensation risk on page 51.

Committee risk responsibilities

Audit and finance	Human resources and compensation	Nominating, corporate governance and risk	Reserves oversight	Safety, health and environment
Oversees financial risks, such as foreign currency, tax, and counterparty and credit exposure risks	Oversees compensation, talent management, succession, and cyber-security risks	Oversees governance risks	Oversees the estimating of our mineral reserves and risks related to achieving economic value from our assets	Oversees safety, health and environmental risks related to our operations

Our annual information form and annual report include more information about the risks relating to Cameco. The 2018 AIF and the 2018 annual report are available on our website (***cameco.com***) and on SEDAR (***sedar.com***).

ESG oversight

Oversight of all risk factors relating to environmental and social matters is a core function of the board and our ERM framework captures emerging and evolving risk factors in these areas. Following is an overview of how the board oversees ESG matters.

Safety, health and environment (SHE) – responsible for oversight of safety, health and environment and supportive communities matters. Safety, environment and social objectives are built into our short-term incentive compensation program, and the SHE committee sets the objectives in consultation with the human resources and compensation committee and the board, with the SHE committee monitoring performance of the objectives. The SHE committee has oversight of our sustainable development report, a report which informs stakeholders how we are performing against key social, environmental and economic indicators. Our sustainable development report provides full details of our approach to environmental and social issues. Our 2018 index update provides a detailed update on Global Report Index (GRI) and corporate indicators unique to the company (***cameco.com/sustainable_development/2018***).

Human resources and compensation – responsible for oversight of employee and labour-related matters.

Audit and finance – responsible for the code of conduct and ethics-related matters.

Nominating, corporate governance and risk – responsible for governance matters.

Risk Management

Decisions to accept, mitigate, or transfer identified risks guide management's plans in our strategic planning and budgeting process. Employees throughout the company take ownership of the risks specific to their area, and are responsible for developing and implementing the controls to manage and re-assess risk.

Our risk policy sets out a broad, systematic approach to identifying, assessing, reporting and managing the significant risks we face in our business and operations. It is reviewed annually to ensure that it continues to meet our needs. Cameco's ERM program involves all aspects of our business and follows the framework of ISO 31000: Risk Management – Guidelines. We use a common risk matrix throughout the company and consider any risk that has the potential to significantly affect our ability to achieve our corporate objectives or strategic plan as an enterprise risk. As part of the annual risk review process, management determines the top risks for monitoring and reporting on over the next year. Management also reviews monthly updates on the company's progress in managing these top risks.

Internal controls

The board and committees are responsible for monitoring the integrity of our internal controls and management information systems.

The audit and finance committee oversees the internal controls, including controls over accounting and financial reporting systems and receives regular reports on internal controls from management. This oversight provides reasonable assurance of the reliability of our financial information and the safeguarding of assets.

The internal auditor reports directly to the audit and finance committee chair and updates the committee quarterly, while the CFO makes quarterly presentations on our financial results and forecasts to the audit and finance committee and the board.

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting to provide reasonable assurance that public reporting of our financial information is reliable and accurate, that our transactions are appropriately accounted for, and that our assets are adequately safeguarded. Management evaluates the effectiveness of our system of internal control over financial reporting.

Succession planning and leadership development

The board oversees succession planning to ensure we have a pool of strong, diverse candidates for senior management positions, and that we nurture talent and attract and retain key people for our long-term success.

Our approach to leadership development focuses on building advanced competencies throughout the organization, identifying high-potential employees and preparing them to take on executive officer roles in the future. The composition of our senior management team is a direct result of this approach.

The human resources and compensation committee reviews succession planning for senior management and involves the audit and finance committee in reviewing the succession plan for the CFO, controller and senior finance and audit roles.

The board reviews the succession plans and has the opportunity to meet high-potential employees through board presentations and informal social gatherings, such as board dinners and site visits.

Workplace diversity and inclusion

Cameco has made a formal commitment to diversity and inclusion that is communicated company-wide through our value statements. We understand the value of a diverse workforce and we encourage and support workplace inclusion. Members of a diverse and inclusive workforce bring new ideas, perspectives, experiences and expertise to the company. This allows Cameco to continue to innovate, manage change, and grow as a respected industry leader and employer of choice. We believe that a diverse and inclusive workforce will help Cameco to succeed. This is why specific objectives have been targeted to purposely carry out diversity and inclusion initiatives to help Cameco fulfil its values.

In 2018, we continued to make progress towards our commitment to diversity, focusing on the continued implementation of Cameco's long-term diversity and inclusion plan. This included:

- continued efforts to implement Cameco's workforce strategy for Residents of Saskatchewan's north (RSN) by examining forecasts of northern workforce requirements and reviewing training and development opportunities for upskilling RSN employees
- continued efforts to sustain commitments in northern Saskatchewan specifically related to business development, community engagement and environmental stewardship
- formation of a diversity and inclusion committee. This committee included representation from senior executives to ensure diversity and inclusion is at the forefront of the CEO's and management team's agenda
- ongoing review of human resources programs, policies and procedures to ensure inclusive practices are in place for Cameco's workforce
- education and awareness related to respectful workplace, unconscious bias, mental health and various cultural celebrations
- celebration and acknowledgement of diversity events, such as International Women's Day
- accessibility audit of facilities to ensure inclusiveness at all locations
- participation in a mentorship program for female leaders.

Women in leadership

We have one female executive officer, representing 20% of the executive officers, and four female vice-presidents, representing 31% of our senior management team. Cameco currently has about 483 female employees across North America, representing 26% of our workforce.

Generally executive officer appointments are a result of our succession framework to build advanced competencies throughout the organization and to identify high-potential employees, including female employees, and prepare them to take on executive roles in the future. When appointing executive officers, we strive for a complement of female executive officers that at a minimum reflects the proportion of women in our workforce. We expect that our long-term diversity and inclusion plan will result in more women being identified and prepared for senior level positions at Cameco.

We have a diversity plan with specific objectives each year to improve workplace diversity. We have not set a target for the number of female executive officers, but our current processes are helping us evaluate how to remove barriers to increase participation and representation and, ultimately, the number of women leaders. We expect the work we are doing will lead to qualitative and quantitative measures to assess the effectiveness of management's actions.

Indigenous workforce

Cameco is a leading industrial employer of First Nations and Métis people. Indigenous employees and contractors make up more than 44% of the workforce at our northern Saskatchewan operations. We also have a dedicated team of community liaisons working at satellite offices in key northern Saskatchewan communities with a focus on local workforce development and community engagement.

Board, committee and director assessments

Performance and effectiveness assessments of the board, committees and individual directors are conducted annually. The nominating, corporate governance and risk committee oversees the board, committee and director assessment process. An independent third-party carries out a review of the board, committees and directors every three years, and the assessment is completed using a confidential questionnaire process during the other years.

Each year the nominating, corporate governance and risk committee consults with the board chair and works with management to determine the structure of the assessment questionnaires to receive meaningful feedback from directors. The results are used to assess the board, the CEO, the composition of the committees and meeting effectiveness, identify any gaps in skills and experience, and to ensure that the board is making the best use of each director's expertise.

Responses are confidential and tallied externally to preserve anonymity and encourage open comments and full disclosure. Individual directors are not identified in the reports, other than the director self-assessments which are reviewed by the board chair and the chair of the nominating, corporate governance and risk committee who receive the reports. Board assessment results are shared with all board members and committee assessment results are shared with all committee members.

Directors also complete a self-assessment of their skills, performance and relevant experience. The nominating, corporate governance and risk committee chair or the board chair also conduct one-on-one interviews to allow directors to speak candidly about any issues or concerns relating to their performance, the performance of their peers, or the functioning of the board. The interview process facilitates a discussion about capacity and commitment to the board as well as education opportunities.

The nominating, corporate governance and risk committee reviews the results of the board assessments, and makes recommendations to the board about board and/or committee composition, or changes to the structure, process or other aspects to enhance board performance.

The table below gives an overview of the full suite of questionnaires.

Questionnaire	Actions
Board evaluation • completed by all directors	• the nominating, corporate governance and risk committee analyzes results and prepares a summary report for the board
Director self-evaluation • completed by all directors	• the chair of the nominating, corporate governance and risk committee and the board chair analyze results and discuss them with individual directors during their personal interviews
Board chair evaluation • completed by all directors	• the chair of the nominating, corporate governance and risk committee reviews the results and presents them to the board chair
Committee evaluation • completed by members of each Committee	• each committee chair analyzes the results and prepares a summary report for the committee, and reports to the committee
Evaluation of committee chairs • completed by members of each committee	• the board chair reviews the results and discusses any issues raised with each committee chair
CEO evaluation • completed by the non-executive directors	• the human resources and compensation committee reviews and discusses the results • the board discusses the results and the board chair and/or the chair of the human resources and compensation committee review them with the CEO

Third party board effectiveness assessment

A Canadian governance consultant conducted an independent third-party, board effectiveness assessment in 2017. It was carried out by Patrick O'Callaghan and included an assessment of the board chair, the board, the committees, and the committee chairs. A set of interview guidelines were developed to provide a common framework for interviews without limiting the issues participants wished to discuss. Mr. O'Callaghan interviewed all directors and members of the senior executive team and prepared a written report on the assessment for the nominating, corporate governance and risk committee and the board of directors. Mr. O'Callaghan met in-person with the board to present his findings and recommendations.

The report's findings indicated that Cameco has strong and effective board practices and also included some non-urgent recommendations. An action plan was developed to address the recommendations, many of which were already part of the board's and committees' work plans. Progress is being monitored by the nominating, corporate governance and risk committee.

The next third-party board effectiveness assessment is scheduled for 2020.

Board committees

The board carries out its responsibilities directly and through its five standing committees. Committee work fulfills a specific governance role and supports our four measures of success. The committee structure ensures directors can devote the requisite skills, time and attention to specific matters and supports the board in effectively overseeing our business and affairs and providing sound governance generally.

Each committee sets aside time at each meeting to meet *in camera*, and reports the business of its meetings to the board in a timely manner.

Committee responsibilities

Each board committee was formed based on the need for detailed oversight in key areas. The specific risks assigned to each committee for oversight are addressed in the work plan developed annually that drives its priorities and activities. Each committee:

- has a mandate outlining the responsibilities and duties of the committee and its chair
- reviews its mandate annually
- reviews its performance against the committee's mandate.

Each committee chair is responsible for determining the meeting agenda, how often the committee will meet, the conduct of each meeting, and for chairing their committee meetings, as set out in each committee mandate.

Committee membership

Committee membership is reviewed annually. We strive for periodic rotation of committee members but it is not mandated so that we can benefit from continuity and experience of committee members, as appropriate. Changes are based on the recommendations of the board chair and the chair of the nominating, corporate governance and risk committee.

Committee chair rotation

Our committee chair rotation policy calls for rotating the positions every five years. Changes to the committee chairs and committee memberships are made in a way that balances continuity and the need for fresh perspectives, while recognizing each director's particular areas of expertise.

Cross-committee attendance

All directors are invited to attend any board committee meeting. Members of the audit and finance committee attend the portion of the human resources and compensation committee meetings on the finance succession plan, which includes the CFO and senior finance personnel.

The chair of the safety, health and environment committee attends the portion of the human resources and compensation committee meeting when it reviews that aspect of our annual corporate performance.

The chair of the reserves oversight committee is a member of the audit and finance committee and reports annually on the company's annual reserves and resources.

Access to management and outside advisors

The board and committees can invite any member of management, outside advisor or other person to attend their meetings.

Committees can engage outside advisors to assist in carrying out their duties, as authorized by their mandates. Individual directors can also engage outside advisors, as long as they receive approval in advance from the nominating, corporate governance and risk committee. The human resources and compensation committee engaged an independent consultant in 2018.

Committee reports

Committee reports that set out the key responsibilities and 2018 highlights for each committee are set out in the following pages.

Audit and finance committee

John Clappison
(chair since May 2009)

Ian Bruce (ex-officio since May 2018)
Daniel Camus
Catherine Gignac
Jim Gowans (joined in May 2018)

2018 meetings	2018 attendance
7	100%

The committee met separately with the internal auditor and external auditors at every regular meeting.

100%

Independent and financially literate

John Clappison and Ian Bruce are the audit and finance committee's financial experts because they have accounting or related financial expertise and meet the necessary requirements under US securities laws.

None of the committee's members serve on the audit committee of more than two other public companies.

The committee reviewed its mandate and is satisfied that it carried out its duties and responsibilities.

Key responsibilities

The audit and finance committee supports the board in fulfilling its oversight responsibilities regarding the integrity of our accounting and financial reporting, the adequacy and effectiveness of our internal controls and disclosure controls, legal, regulatory (excluding safety, health and the environment) and ethical compliance, the independence and performance of our external and internal auditors, oversight of specific risks, and prevention and detection of fraudulent activities and financial oversight.

2018 Committee highlights

Financial reporting

- oversaw the quality and integrity of our accounting and financial reporting processes
- reviewed and recommended the annual and quarterly financial statements and MD&A and quarterly press releases to the board for approval

Internal controls

- reviewed the effectiveness and integrity of our internal control systems and disclosure controls

External audit

- approved the annual audit plan and the external auditors' fees, including pre-approval of all services to be provided (see page 5 for details about the external auditor and the fees paid to them in 2018)
- received regular reports from the external auditors on the audit of our financial statements and the results of their reviews of the unaudited quarterly financial statements
- adopted audit quality indicators to create improved monitoring of the external auditor
- assessed the performance of the external auditors
- reviewed the auditor's qualifications, independence and depth of business and industry knowledge and recommended the appointment of our external auditor for the coming year
- regularly met with the external auditor without management present

Internal audit

- assessed the internal auditor, reviewed the internal audit mandate, and approved the internal audit plan for the year
- received regular reports from the internal auditor on the fulfillment of its plan and its recommendations to management
- regularly met with the internal auditor without management present

Compliance

- reviewed reports about our compliance programs, including the code of conduct and ethics and our global anti-corruption program
- reviewed related-party transactions
- reviewed policies and programs to monitor compliance with legal and regulatory requirements and received and reviewed litigation reports
- received briefings and reports on management's hedging, debt and credit policies and compliance with them

Risk oversight

- received management presentations on enterprise risks that the committee oversees
- received quarterly updates on the status of mitigation plans pertaining to the risks that the committee oversees (including financial, fraud and other material risks within the committee's mandate)
- monitored the company's transfer pricing dispute with the CRA, including receipt of regular updates from management, and review of disclosure pertaining to the dispute and the 2018 judgment from the Tax Court of Canada

Financial oversight

- received and reviewed reports on our insurance program and directors' and officers' liability insurance
- received and reviewed the annual supply chain management report and recommended to the board approval of revisions to our procurement policy
- received and reviewed reports on the company's funding (including finance and cash flow planning)
- received and reviewed reports pertaining to the financial aspects of the company's operations, including monitoring of care and maintenance spend

Human resources and compensation committee

Don Kayne
(chair since May 2018)

Ian Bruce (committee chair until May 2018)
Daniel Camus
Kate Jackson
Anne McLellan

2018 meetings	2018 attendance
6	100%

100%

Independent

The committee also has an external consultant who provides independent advice on executive compensation matters. Meridian Compensation Partners (Meridian) has been the committee's consultant since December 2011, and it has not provided any services to management.

The committee reviewed its mandate and is satisfied that it carried out its duties and responsibilities.

Key responsibilities

The human resources and compensation committee supports the board in fulfilling its oversight responsibilities regarding human resource policies, executive compensation, executive succession and development, pension plan governance, and oversight of material risks assigned to the committee.

2018 Committee highlights

A letter from the chair of the human resources and compensation committee begins on page 57.

Compensation governance

- monitored compensation trends and emerging issues
- received and reviewed the annual compensation-related risk report
- reviewed 'say on pay' results
- selected and managed the committee's independent compensation consultant, approved its work plan, qualifications and fees, and considered its independence
- reviewed the compensation disclosure in this circular

Executive and director compensation

- reviewed and recommended to the board approval of executive compensation and incentive plan targets
- assessed performance against targets

Succession planning

- reviewed succession planning with management and oversaw the succession planning process

Risk oversight

- received management presentations on enterprise risks that the committee oversees, including a detailed presentation of management's mitigation of cyber-security risk
- received quarterly status updates on the mitigation plans pertaining to the risks that the committee oversees (including compensation risk, third-party compensation risk assessments, talent management risk, succession risk, cyber-security risk and other material risks within the committee's mandate)
- oversaw the human resources risks associated with the suspension of production at our McArthur River and Key Lake sites and the 20% personnel reductions at corporate office
- received and reviewed the annual compliance report on labour-related legislation and regulations
- considered the risks associated with its compensation programs and concluded that they are not likely to have a material adverse impact on Cameco or its business

Pension plan governance

- oversaw pension plan governance and management's supervision of our pension plan

Nominating, corporate governance and risk committee

Anne McLellan
(chair since May 2016)

Ian Bruce (joined in May 2018)
Daniel Camus
John Clappison
Donald Deranger (joined in May 2018)
Kate Jackson

2018 meetings	2018 attendance
7	94%

100%
Independent

The committee reviewed its mandate and is satisfied that it carried out its duties and responsibilities.

Key responsibilities

The nominating, corporate governance and risk committee supports the board in fulfilling its oversight responsibilities by developing and recommending a set of corporate governance principles, identifying and recommending qualified individuals as members of the board and its committees, assessing the effectiveness of the board and committees, and overseeing the risk program.

2018 Committee highlights

Corporate governance

- oversaw the process to appoint a new board chair
- monitored governance trends and emerging issues, including the impacts of changes to the CBCA on the board and Cameco
- reviewed and recommended to the board approval of revisions to our governance guidelines
- reviewed director independence and conflicts of interest
- assessed the size, composition, and mandates of the board and board committees, and recommended to the board approval of revisions to mandates
- reviewed the competency and attribute matrix
- reviewed and recommended to the board approval of revisions to the board's diversity policy
- oversaw our director education program
- approved a standard for the retention of board materials
- reviewed the board budget and recommended its approval to the board
- monitored the implementation of notice and access

Risk oversight

- oversaw our risk program
- monitored governance-related risks
- received and reviewed an annual report on security of the board portal

Board and committee assessments

- oversaw the performance and effectiveness assessment of the board of directors
- evaluated the independent third-party board effectiveness assessment and oversaw implementation of actions for the board arising from the assessment

Governance disclosure

- reviewed third-party governance ratings
- reviewed governance disclosure for this management proxy circular

Reserves oversight committee

Catherine Gignac
(chair since May 2015)

Ian Bruce (joined in May 2018)
Donald Deranger
Jim Gowans
Don Kayne

2018 meetings	2018 attendance
3	100%

The committee met separately with the leading qualified person at every meeting.

100%

Independent

The committee reviewed its mandate and is satisfied that it carried out its duties and responsibilities.

Key responsibilities

The reserves oversight committee supports the board in fulfilling its oversight responsibilities regarding estimating and disclosing mineral reserves and resources.

2018 Committee highlights

Estimating mineral reserves and resources

- confirmed our qualified persons for estimating our mineral reserves and resources
- performed the due diligence process for the year-end reserves and resources reporting
- reviewed management's annual reserves and resources report and annual reconciliation of reserves to mine production and recommended them to the board for approval
- reviewed material changes to mineral reserves and resources estimates and recommended them to the board for approval before publication and release
- received management reports on internal controls and procedures regarding mineral reserves and resources reporting

Disclosing mineral reserves and resources

- monitored industry standards and regulations on estimating and publishing mineral reserves and resources information, and related issues and developments through reports from management
- received reports from the leading qualified person on the mineral reserves and resources estimates and confirmed that the information has not been restricted or unduly influenced
- received confirmation from the leading qualified person and chief operating officer that the information is reliable and that we will publish mineral reserves and resources estimates according to securities laws and regulations that apply to us
- received confirmation from the leading qualified person that our disclosure controls for disclosing mineral reserves and resources estimates comply with industry standards
- received a presentation on the Inkai technical report
- received an update on the McArthur River/Key Lake technical report

Risk oversight

- received management presentations on enterprise risks that the committee oversees
- received status updates on the mitigation plans pertaining to the risks that the committee oversees (including mineral reserves and resources risks and other material risks within the committee's mandate)

Safety, health and environment committee

Jim Gowans
(chair since May 2015)

Ian Bruce (joined in May 2018)
Donald Deranger
Catherine Gignac
Kate Jackson
Don Kayne

2018 meetings	2018 attendance
4	100%

100%

Independent

The committee reviewed its mandate and is satisfied that it carried out its duties and responsibilities.

Key responsibilities

The safety, health and environment committee supports the board in fulfilling its oversight responsibilities regarding safety, health and environmental matters.

2018 Committee highlights

Overseeing and assessing policies and management systems

- oversaw our compliance with all relevant safety, health, environment and quality (SHEQ) legislation and our SHEQ policy and programs
- reviewed and recommended to the board approval of revisions to our SHEQ and sustainability policies
- received reports on management's benchmarking of our policies, systems and processes and monitored them against industry best practice

Monitoring and assessing performance

- reviewed findings of safety, health and environment (SHE) audits, action plans, and results of investigations into significant events
- monitored the US Occupational Safety and Health Administration (OSHA) metrics and leading indicators implemented to drive continued improvements to our safety performance
- reviewed the annual SHE budget to ensure sufficient funding for compliance
- determined the SHEQ objectives and results for executive compensation and related impact
- monitored trends, significant events and emerging issues through reports from management
- received an educational session from management on safety performance improvements implemented at the Blind River operations

Risk oversight

- received management presentations on enterprise risks that the committee oversees
- received status updates on the mitigation plans pertaining to the risks that the committee oversees (including safety, health and environment risks and other material risks within the committee's mandate)

Compensation at Cameco

We compensate our directors and executives in a way that is fair, competitive and based on performance.

This section of the circular is based on the recommendations of the human resources and compensation committee. It gives you insight into our compensation process and the components of our program. We have provided more information than what is required by regulators to give you a more complete understanding of our compensation decisions.

Where to find it

Our compensation governance

We believe in frank and transparent disclosure.

The board oversees our compensation policies and practices and can use its discretion to reduce compensation or, subject to certain limits, to adjust compensation upward.

Our culture encourages management to be objective in assessing its own performance and making recommendations to the board to adjust compensation as appropriate.

Management developed six compensation principles that were adopted by the board (*see page 66*). These principles guide all executive compensation decisions at Cameco.

Compensation governance

The board has ultimate responsibility for compensation at Cameco. The human resources and compensation committee assists the board in overseeing our human resources policies, executive compensation, succession planning, pension plans and director compensation. The committee is qualified, experienced and 100% independent. It has four members of varying tenure.

Years on committee	
Don Kayne (chair)	3
Daniel Camus[1,2]	8
Anne McLellan[2]	12
Kate Jackson[2]	2
Ian Bruce[1,2,3]	5

Expertise of committee members	
Business and industry experience	5 of 5
Executive compensation experience (as a senior executive, managing partner or member of the compensation committee of other public companies)	5 of 5
Governance background	5 of 5
Risk oversight experience	5 of 5
Executive leadership	5 of 5

1. Audit and finance committee members.
2. Nominating, corporate governance and risk committee members.
3. Ian is an ex-officio member of all committees. He was chair of the human resources and compensation committee prior to taking on the role of board chair.

Don Kayne serves as committee chair and brings strong executive compensation, risk management, governance and CEO experience to the role. Other committee members have strong backgrounds in finance, risk oversight, governance and executive compensation. You can read more about the committee members in their director profiles starting on page 14.

ABOUT OUR COMPENSATION FRAMEWORK

- We use a multi-year strategic plan to balance risk and reward.
- We embed our corporate objectives into how we assess executive performance.
- Compensation is directly linked to our strategy and performance.
- We use at-risk compensation to motivate executives because the ultimate value realized depends on performance.
- We have clawback and anti-hedging policies to mitigate compensation risk.

Our compensation framework is based on the following:

Balanced decision-making

- Corporate performance is based on absolute and relative measures.
- We use a balanced scorecard to provide a more direct line of sight to specific objectives.

Threshold performance

- We must achieve at least a minimum threshold performance to receive incentive award payouts.

Limits on incentive pay

- The STI and PSU plans pay out at a maximum of 200% of target if performance is exceptional. The human resources and compensation committee and board cannot use their discretion to exceed this cap.
- We set threshold, target and maximum performance levels that require significant effort, but not excessive risk taking, to achieve performance.
- Potential payouts under the incentive plans are modest as a percentage of our revenue and income.

CCGG pay-for-performance principles

- Our compensation philosophy and practices incorporate the compensation principles recommended by the Canadian Coalition for Good Governance (CCGG) for Canadian companies. These principles reflect pay for performance and integrate risk management functions into the company's executive compensation philosophy and structure.

Compensation risk management

Compensation risk is addressed by the human resources and compensation committee each year (*see page 45 for the committee's 2018 highlights*).

Our compensation program:

- is designed to encourage the right management behaviours
- uses a company-wide balanced scorecard approach to assess performance
- motivates appropriate risk-taking
- avoids excessive payouts to executives and employees.

The human resources and compensation committee works with management and the safety, health and environment committee to set corporate objectives for all incentive plans. The committee stress tests different performance scenarios and back tests previous performance and compensation decisions to make sure decisions and outcomes are appropriate.

Meridian Compensation Partners (Meridian), the human resources and compensation committee's independent consultant, reviews Cameco's compensation program annually. Meridian has been the committee's independent consultant since December 2011. The following nine key areas of our compensation programs are reviewed regularly:

- compensation principles
- comparator groups
- positioning of target compensation
- pay mix
- incentive plan design
- performance measures
- share ownership
- plan governance and risk mitigation
- supplemental executive pension program.

Based on the risk assessment, the human resources and compensation committee concluded that Cameco's compensation programs and policies are not likely to have a material adverse effect on Cameco, its business or its value.

Clawback policy

All named executives are subject to a clawback policy that applies to compensation received after January 1, 2013. Our previous policy (in effect since 2003) applies to incentive compensation awarded to the CEO and CFO prior to 2013.

The policy covers incentive compensation, including any annual bonus, performance share units, restricted share units and stock options granted or received. It allows the board and the human resources and compensation committee to decide how to apply the policy and recoup the incentive compensation of the executive at fault if the following events occur:

- we make an accounting restatement if there is a material non-compliance with financial reporting requirements under securities laws
- an executive engaged in gross negligence, intentional misconduct or fraud which caused or significantly contributed to the restatement
- the executive was overcompensated as a result of the restatement.

Share ownership

Our share ownership guidelines require executives to hold their current shares and to purchase additional shares with their after-tax proceeds from redeeming or exercising equity awards until they have met their target ownership levels (*see page 68 for share ownership details*).

Anti-hedging

We prohibit directors, officers and employees from using hedging strategies to offset a decrease in market value of our shares or the market value of equity awards granted as compensation.

Our trading guidelines prohibit:

- trading while in possession of confidential material information
- tipping of confidential information to anyone
- speculative trading in or hedging of Cameco securities or related financial instruments
- holding Cameco securities in margin accounts
- fraudulent trading or market manipulation respecting Cameco securities.

Equity compensation

Long-term incentive awards are allocated 60% to PSUs and 40% to stock options, and their value is not guaranteed. Performance under the PSU plan is based on a combination of absolute and relative measures over a three-year period – relative TSR, which has a 40% weighting, relative average realized uranium price, and an absolute cost or production-related measure. The ultimate value of stock options is determined by our share price at the time of exercise.

Independent advice

The board and board committees retain independent consultants as appropriate to assist them in carrying out their duties and responsibilities. Meridian serves as the human resources and compensation committee's independent consultant, and Mercer is management's consultant.

Committee's consultant

The committee considers the independence of its compensation advisor, and reviews all fees and the terms of consulting services provided by the independent consultant. The committee considers recommendations provided by its compensation consultant and management along with other information, and is ultimately responsible for its own decisions.

The table below shows the fees paid to the independent consultant in 2017 and 2018. Meridian did not provide any services to management in either year.

	2018	2017
Meridian Compensation Partners		
Executive compensation-related fees	$64,000	$64,498
All other fees	–	–
Percent of work provided to the committee	100%	100%

Meridian provided a broad range of services in 2018:

- reviewed the comparator group
- updated the compensation risk review
- provided two education sessions on compensation and governance trends for the committee
- reviewed our 2018 performance against targets
- conducted a review of our executive compensation program, performance measures, and STI and PSU plan objectives
- completed a pay-for-performance assessment
- conducted an in-depth review of the compensation discussion and analysis (CD&A)
- consulted on numerous compensation governance matters, including clawbacks, proxy advisor positions, realized and realizable pay disclosure and ISS pay-for-performance modeling.

The committee reviewed Meridian's report on independence as contemplated by the NYSE rules and is satisfied with the report. It also confirmed Meridian's independence.

Director compensation

Compensation discussion and analysis

1. Approach

We have three goals:

- Recruit and retain qualified individuals to serve as members of our board and contribute to our overall success.
- Align the interests of our board and shareholders by requiring directors to own shares or share equivalents (by receiving at least 60% of their annual retainer in deferred share units (DSUs) until they meet our share ownership guidelines).
- Pay competitively by positioning compensation at the median of director compensation paid by companies that are similar to Cameco in nature and scope of operations and comparable in size (see page 67 to read about the comparator group).

2. Share ownership

We have share ownership guidelines for non-executive directors to align their interests with those of our shareholders. The guidelines are also set to align closely with market practice. Directors must build their ownership of Cameco shares or DSUs and ultimately hold at least three times their annual retainer. A DSU is a notional share that has the same value as one Cameco common share. DSUs earn additional units as dividend equivalents at the same rate as dividends paid on our common shares. DSUs are paid out to directors in cash after they retire from the board.

The human resources and compensation committee regularly reviews the share ownership guidelines and compares our director share ownership levels to our comparator group of companies. The committee also reviews any situation where a director is not in compliance with or on track to meet the ownership requirement or maintaining the minimum ownership level, and recommends a course of action to the board. The board has the discretion to decide what action, if any, should be taken.

As of December 31, 2018, directors held $8,180,925 worth of DSUs (representing approximately 528,485 common shares) based on the year-end closing price of Cameco shares on the TSX of $15.48. The board chair has a higher ownership requirement than other directors because of the higher retainer to reflect the scope of responsibilities. A director who is appointed as board chair has an additional three years to meet the higher target.

We assess compliance annually, and value shares and DSUs using the acquisition price or the year-end closing price of Cameco's shares on the TSX, whichever is higher. As of December 31, 2018, all of the nominated directors are in compliance with the guidelines. They either hold the minimum ownership requirement, or have time remaining to meet the requirements. See the director profiles beginning on page 14 for details about each director's share ownership.

A director who has not met the share ownership guidelines must receive at least 60% of his or her annual retainer in DSUs. A director who has met the guidelines can receive all of the retainer and fees in cash, or a portion in cash and the balance in DSUs in increments of 25%, which is decided before the beginning of each fiscal year. The director compensation table on page 55 shows the percentage of the annual retainer paid in DSUs in 2018 for each director.

Directors must maintain their share ownership once they meet the guidelines. Directors who elect to receive all of their compensation in cash continue to increase their share ownership through dividend equivalents paid in DSUs.

3. Fees and retainers

Our director compensation is structured to align with market practice and to recognize the ongoing commitment of time and attention we expect directors to devote to board and committee responsibilities throughout the year.

Director compensation consists of the following:

- an annual board retainer (higher retainer for the non-executive chair of the board)
- an annual committee chair retainer (higher retainer for the human resources and compensation and audit and finance committee chairs)
- an annual committee retainer for members of the human resources and compensation and audit and finance committees
- an additional retainer for members of more than two committees
- a travel fee (per trip).

The non-executive chair does not receive any committee-related retainers and directors who are employees of Cameco, such as Tim Gitzel, do not receive director compensation. We reimburse reasonable travel and out-of-pocket expenses relating to directors' duties.

The table below shows the current fee schedule. All amounts are paid in Canadian dollars. The fees for travel from outside Canada were paid in US dollars until July 2018, when those rates were modified and the payment terms changed to Canadian dollars.

ANNUAL RETAINER	
Non-executive chair of the board	$375,000
Other non-executive directors	$200,000
COMMITTEE CHAIR RETAINERS	
Audit and finance committee	$20,000
Human resources and compensation committee	$20,000
Other committees	$11,000
COMMITTEE RETAINERS	
Audit and finance committee members	$5,000
Human resources and compensation committee members	$5,000
Member of more than two committees (per additional committee)	$5,000
TRAVEL FEES (PER TRIP)	
Over 1,000 km within Canada	$1,700
From the US	$2,100
From outside North America	$3,300

2018 Details

Director compensation table

The table below shows fees earned by each non-executive director in 2018, based on the current fee schedule and their committee memberships.

Tim Gitzel does not receive any director compensation because he is compensated in his role as president and CEO (see the summary compensation table on page 84). Ian Bruce is our non-executive chair of the board and his board retainer reflects the fees paid to him in this capacity.

	Annual retainer	Other retainers				
Name	Board	Committee member	Committee chair	Travel fee	Total paid	% of annual retainer paid in DSUs
Ian Bruce[1]	$309,135	$3,764	$7,527	–	$320,426	50%
Daniel Camus	$200,000	$15,000	–	$6,800	$221,800	25%
John Clappison	$200,000	$5,000	$20,000	$8,500	$233,500	25%
Donald Deranger[2]	$200,000	$3,118	–	–	$203,118	50%
Catherine Gignac	$200,000	$10,000	$11,000	$8,500	$229,500	50%
Jim Gowans[2]	$200,000	$8,118	$11,000	$5,100	$224,218	25%
Kate Jackson	$200,000	$10,000	–	$6,585	$216,585	60%
Don Kayne	$200,000	$10,000	$12,473	$6,800	$229,273	100%
Anne McLellan	$200,000	$5,000	$11,000	–	$216,000	25%
Neil McMillan[3]	$141,140	–	–	–	$141,140	–
Total	$2,050,275	$70,000	$73,000	$42,285	$2,235,560	–

1. Ian Bruce was appointed board chair on May 16, 2018. He received the board retainer for the first quarter of the year and the board chair retainer for the remainder of the year, and was paid committee member and committee chair retainers for that portion of time prior to his appointment.
2. Donald Deranger and Jim Gowans serve on more than two committees as of May 2018.
3. Neil McMillan was the board chair and retired from the board on May 16, 2018.

Travel fees (paid in US dollars until July 2018) have been converted to Canadian dollars for reporting purposes at the following exchange rates:

	March 20, 2018	June 25, 2018
$1 (US)	$1.3077 (Cdn)	$1.3303 (Cdn)

Incentive plan awards – DSUs

The next table shows what each non-executive director earned in DSUs in 2018. We have combined information from two mandatory tables: *Incentive plan awards – Value vested or earned during the year* and *Outstanding share-based* and *option-based awards* into the table below.

Directors received their retainer and fees in cash and DSUs:

- *Share-based awards – Value vested during the year* is the amount of DSUs that the directors received in 2018, valued as of the grant dates. It includes all of the DSUs that vested as of the grant date and DSUs granted as dividend equivalents in 2018.
- *Share-based awards – Market or payout value of vested share-based awards not paid out or distributed* are all of the directors' DSUs that have vested. DSUs are not paid out until the director resigns or retires from the board. The DSUs were valued at the year-end closing price of Cameco shares on the TSX of $15.48.

	Share-based awards	
Name	**Value vested during the year**	**Market or payout value of vested share-based awards not paid out or distributed**
Ian Bruce	$168,762	$782,745
Daniel Camus	$70,499	$1,195,888
John Clappison	$68,748	$840,221
Donald Deranger	$112,513	$919,110
Catherine Gignac	$120,901	$561,770
Jim Gowans	$68,552	$1,001,177
Kate Jackson	$122,532	$289,024
Don Kayne	$237,035	$776,471
Anne McLellan	$63,209	$747,751
Neil McMillan	$25,869	$1,066,768
Total	$1,058,620	$8,180,925

See the director profiles starting on page 14 for the number of Cameco shares and DSUs held by each director.

Incentive plan awards – options

We stopped granting options to directors in 2003. None of the directors have any outstanding options.

Loans to directors

As of March 14, 2019, we and our subsidiaries had no loans outstanding to any current or former directors, except routine indebtedness as defined under Canadian securities laws.

Executive compensation

Cameco is committed to maintaining a transparent executive compensation program.

The following message by the chair of the human resources and compensation committee highlights key aspects of our executive compensation program. A more detailed discussion follows in the compensation discussion and analysis (CD&A) beginning on page 66.

Message from the Chair of the Human Resources and Compensation Committee[1]

Dear Shareholder,

The human resources and compensation committee oversees all aspects of executive compensation. It assesses Cameco's strategy and business plan and makes recommendations to the board on performance measures and targets, which reflect Cameco's four measures of success – outstanding financial performance, a safe, healthy and rewarding workplace, a clean environment, and supportive communities. The committee uses these measures and targets to assess Cameco's corporate and executive performance and our compensation program, including payouts of incentive awards to the executive team.

This letter gives you an overview of our approach to executive compensation, the board's assessment of 2018 performance and our decisions on executive compensation for the year.

A carefully designed compensation program

Cameco is committed to creating long-term value for shareholders. We believe that a strong executive team that is able to make and implement strategic decisions and lead and motivate Cameco's employees to act in the best interests of stakeholders is critical to the company's long-term sustainability. Cameco's compensation program is designed to attract, retain and motivate the executive team, pay for performance and drive shareholder value.

We link a significant portion of executive pay to the achievement of objectives that drive value for shareholders and believe in the importance of aligning the interests of our executives and shareholders. This is not an easy task with the difficult market conditions that have faced the uranium industry for the last eight years.

The majority of executive pay is variable or at-risk, and linked to the execution of Cameco's strategy and business plan. At-risk pay is not guaranteed and the value that is ultimately realized is based on Cameco's performance against key financial and non-financial measures as well as share performance.

Risk is considered throughout the compensation process to ensure incentive awards are appropriate and pay is aligned with performance. The committee's independent compensation consultant conducts an annual risk assessment to identify any potential risks associated with the compensation program. The 2018 assessment concluded that Cameco's compensation program and policies are not likely to have a material adverse effect on Cameco, its business or its value.

Shareholder vote on executive compensation

In keeping with our ongoing commitment to good governance, we held our annual "say on pay" advisory vote at our 2018 annual meeting. Shareholders voted 93.13% in favour of our approach to executive compensation. We are encouraged by the consistently strong support we receive from shareholders and value all feedback on executive compensation and other governance matters.

2018 Compensation decisions and results

Corporate performance is the most significant factor affecting the board's decisions about executive pay.

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1. This message from the chair of the human resources and compensation committee contains forward looking information and is based upon the assumptions and subject to the material risks described at pages 2 and 3 of our 2018 annual management's discussion and analysis. Actual outcomes for future periods may be significantly different.

Target setting

Our main priority is to make sure compensation is competitive, fair and supports the achievement of Cameco's business plan and strategy. Since the Fukushima nuclear incident in March 2011, the average uranium spot price has decreased nearly 60% and the long-term uranium price has decreased 55%. This continues to make performance target setting extremely challenging. We conduct rigorous stretch testing of our targets in consultation with our compensation consultant. For 2018, with the continued market uncertainty, our ongoing dispute with the Canada Revenue Agency (CRA), our TEPCO arbitration, and our $500 million debenture maturing in September 2019, management's objective was to preserve the value of our low-cost assets, drawdown our excess inventory under the protection of our contract portfolio, build cash on our balance sheet, and position the company to self-manage risk. Management therefore made the difficult but necessary decision to suspend production at McArthur River and Key Lake, which resulted in it successfully achieving all of its objectives. While these strategic initiatives were implemented for the long-term health of the company, the near-term costs associated with implementing them, including severance costs, and care and maintenance expenditures, were expected to put downward pressure on our 2018 gross profit margins. The 2018 earnings target was therefore set lower than our 2017 actual earnings to reflect the challenges in our business and to take into account these strategic initiatives implemented by the executive team to build long-term sustainable shareholder value. We set the earnings target with the expectation that it could only be achieved with significant management effort.

Our long-term incentive plan, which consists of performance share units (PSUs) and stock options, is also closely aligned with our performance objectives. PSUs are linked to absolute and relative performance measures over a three-year period. The 2016 PSU grant was tied to performance from January 1, 2016 to December 31, 2018 and paid out based on three measures: the uranium price achieved relative to prices realized by our competitors, production from our Saskatchewan tier-one operations and relative total shareholder return (TSR). We measure our TSR against the TSX 60, an index of leading companies that we compete with for shareholder capital. Relative TSR is weighted 40% in the PSU plan because of its importance to shareholders.

The committee carefully reviews the incentive plan measures every year to make sure they continue to reflect Cameco's key strategic objectives, and the targets have been subject to ongoing review and testing over the years. Historical performance indicates that challenging targets are set. Cameco has exceeded target corporate performance only three times in the past eight years.

Results

In 2018, all our corporate performance targets for the executive team met threshold, and most met or exceeded target. We believe that the company, under our executive leadership, demonstrated great resiliency in an unfavourable uranium market. The board approved a 145% short-term incentive payout for 2018 to recognize Cameco's strong performance:

- Cameco achieved 2018 adjusted net earning[2] of $171 million, exceeding target and surpassing the 2017 adjusted net earnings by $97 million.
- Cash flow from operations, after working capital changes, was $614 million, slightly above 2017 performance.
- Cash and short term investments totalled $1.1 billion at the end of 2018; and as a result, we expect we will be in a position to retire our $500 million debenture maturing in 2019.
- Cameco received a positive ruling in its tax dispute with the CRA, resulting in a reversal of the tax provision related to our dispute in the amount of $61 million for the 2003, 2005 and 2006 tax years.
- The executive team continued to manage risk by reducing costs, including lowering capital expenditures and direct administration and exploration costs.
- In 2018, Cameco recorded the best safety performance in its history with several operations achieving significant safety milestones, including the Blind River refinery and the Crow Butte operation delivering 12 and 11 years respectively without a lost-time incident. Several other facilities continued to increase their record of days without a lost-time incident and maintain a low average dose of radiation to workers. Despite this strong performance, Cameco only met the threshold for the target set for 2018 due to the high safety expectations in our targets.
- Cameco met its environmental performance targets, and had no significant environmental incidents at its operations.
- Cameco's northern services spend exceeded expectations in 2018 with procurement of over 89% of our total spend ($120 million) from locally owned northern Saskatchewan companies. Maintaining the trust and support of communities, indigenous people and governments is necessary to sustain our business.

As noted above, a fundamental component of Cameco's compensation philosophy is that a significant portion of executive compensation must be at-risk and linked to the achievement of objectives that drive strong value for shareholders. While Cameco had strong corporate performance in 2018, our relative performance under the PSU

[2] Adjusted net earnings is a non-IFRS measure as described in our 2018 MD&A and excludes the impact of various items as detailed in *note 1 on page 79*.

plan fell short, resulting in a payout of 57% of the grant value of the 2016 PSU awards. Cameco's strong operational performance and higher average-realized uranium price relative to competitors was partially offset by our relative three-year average total shareholder return. This payout highlights our strong performance on the measures affected by management's actions and the strong link between pay and performance and alignment with shareholder interests. You can read more about our share performance and executive compensation on page 63 and CEO realized and realizable pay beginning on page 65.

CEO compensation

The committee considers the results of a comprehensive CEO performance assessment process that incorporates feedback from all board members before making its recommendations on CEO compensation. On his request, Tim Gitzel's salary remained unchanged in 2018. His 2018 STI award was calculated at $1,784,000, higher than 2017 due to very strong corporate performance and exceptional individual performance in a difficult market. Under Tim's leadership, Cameco has implemented a plan that has strengthened the balance sheet and positioned the company for long-term success.

Looking ahead to 2019

We are expecting another challenging year in 2019 because of the expenditures required to achieve our strategy in a continued weak market. Despite the expected impact on results, Cameco is making these decisions to support long-term shareholder value. Cameco's goal is to remain competitive and to maintain exposure to the rewards that come from having an uncommitted, low-cost uranium supply to deliver in a strengthening market.

Targets for the 2019 short-term and long-term incentive awards continue to support Cameco's strategy and four measures of success and focus on:

- achieving targeted financial measures focused on controlling costs and generating cash in a difficult market environment
- achieving higher uranium sales prices than its competitors
- keeping people safe
- protecting the environment
- maintaining the support of communities near Cameco's operations
- achieving shareholder returns that outperform the median of companies in the TSX 60 Index.

The board approved modest salary increases for 2019 for the full executive team to position their base pay around the market median. The executive team has not received salary increases since 2016 as part of Cameco's cost-cutting initiatives.

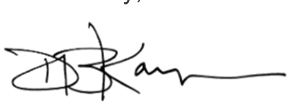
The committee continues to oversee succession planning to ensure effective development of leadership talent and an orderly transition to officer roles as required, including appropriate compensation. In 2018, the committee worked with management to enhance its focus on key competencies and experiences to strengthen our approach to succession planning.

Thank you for your support

We firmly believe in the importance of linking executive pay to the execution of Cameco's business plan and strategy, aligning the interests of executives and shareholders and building value for shareholders over the long term. We continue to monitor developments in executive compensation and best practices to make sure our compensation program and decisions are appropriate, and to adjust our practices as appropriate and mitigate compensation risk. We encourage you to vote your shares and we welcome any questions and feedback through the corporate secretary's office.

In closing, I would like to thank Ian Bruce for his work on the committee and particularly as committee chair for the previous two years prior to his appointment as board chair in May 2018. I am confident in Cameco's future prospects, and I look forward to serving as committee chair and continuing our work in human resources and compensation matters that are such an important aspect of Cameco's success.

Sincerely,



Don Kayne
Chair, Human Resources and Compensation Committee

Cameco compensation practices

The human resources and compensation committee ensures our executive compensation program is competitive, based on sound decision-making, pays for performance, motivates and attracts talent, and focuses on creating shareholder value.

WHAT WE DO

Pay for performance – 83% of the compensation for the CEO is at-risk pay – it is variable, contingent on performance and not guaranteed	✓
Share ownership – we require our executives to own shares or other equity in Cameco, and to acquire additional shares using the proceeds from redeeming or exercising vested equity awards until they have met their target ownership	✓
Performance based vesting – 60% of the long-term incentive vests at the end of three years based on our absolute performance, relative TSR and relative average realized uranium price	✓
Benchmarking – we benchmark executive compensation against a size and industry appropriate comparator group and target compensation at the median of the group	✓
Caps on incentive payouts – our STI and PSU plans cap payouts at a maximum of 200% of target for exceptional performance. The human resources and compensation committee and the board cannot exceed this cap	✓
Stress testing and back testing – we stress test different scenarios to assess appropriateness of pay and avoid excess risk-taking, and the committee looks back at long-term incentive awards previously granted when granting new awards	✓
Clawbacks – our clawback policy applies to all executives and all incentive compensation awarded	✓
Anti-hedging – directors, executives and other employees are prohibited from hedging their shares or equity-based compensation	✓
Independent advice – the committee receives compensation advice from an independent advisor	✓
Realized and realizable pay – the value ultimately realized from a long-term incentive award can be significantly different from the grant value. Share price is only one factor that affects the payout value	✓
Modest benefits and perquisites – these are market competitive and represent a small part of total executive compensation	✓
Employment agreements – employment agreements with the named executives protect specialized knowledge, contacts and connections obtained while at Cameco	✓
Double trigger – the severance provisions in our executive employment agreements and our LTI plans have double triggers in the event of a change of control	✓

WHAT WE DON'T DO

No repricing of stock options	x
No tax gross-ups	x
No excessive severance obligations	x
No bonus amounts or value of equity awards included in pension calculations	x

See Compensation governance on page 50 and the CD&A beginning on page 66 for more information.

Compensation overview

The chart below shows the different components that make up total direct compensation (TDC) for our executives. Our short-term incentive plan offers the potential for executives to earn a cash bonus based on their success in achieving pre-established corporate and individual performance targets for the year.

Long-term incentives include a PSU plan and stock option plan, which have different terms for vesting and payouts. These incentive plans focus management on the importance of future value and drive corporate performance over the longer term.

Performance-based vesting and share price fluctuation can have a dramatic impact on the realized and realizable value of equity-based compensation. The named executives realized 57.0% of the grant value of the 2016 PSU awards that vested at the end of 2018 (*see pages 80 through 82*).

Executive compensation and strategy

Cameco's strategy is to focus on our tier-one assets, and to profitably produce at a pace aligned with market signals to preserve the value of those assets and increase long-term shareholder value. The board plays a key role in our strategy, and works directly with management in developing the strategic plan. Management is responsible for executing the strategy and adapting its actions within the context of an evolving market environment in order to take advantage of the long-term growth we see coming in our industry. The board oversees risk and the execution of the corporate strategy, and challenges management on their progress.

See our most recent MD&A, particularly the *Our strategy* section for more information about our strategy.

We establish corporate objectives to achieve our strategic plan and our executive compensation program is directly aligned with the strategic plan:

- measures within the corporate objectives form the basis of the compensable targets under the short-term incentive plan
- performance share units (PSUs) measure absolute and relative performance over a three-year period. The value realized is based on share performance and outcomes against targets based on our long-term strategic goals: relative TSR, relative uranium price, and all-in sustaining cash cost.

Market context[1]

Like other commodities, the uranium industry is cyclical. History demonstrates that in general, when prices are rising and high, uranium is perceived as scarce, and a lot of contracting activity takes place. The heavy contracting that takes place during price runs, drives investment in higher-cost sources of production. Once that production is in the market, it tends to stay in the market longer than is economically rational, creating the perception that uranium is abundant and always will be, and prices decline. When prices are declining and low,

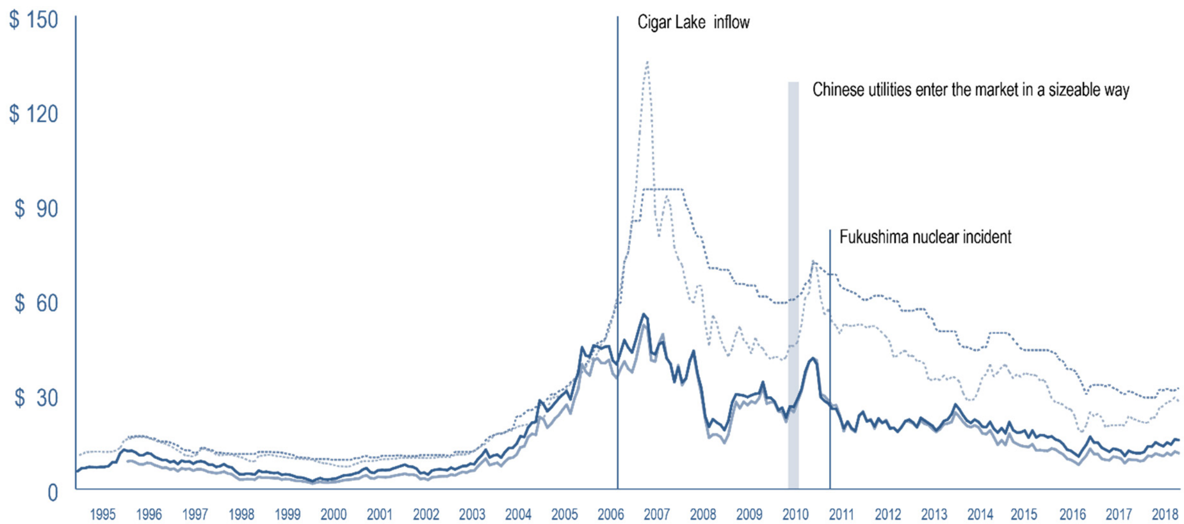
1 This discussion of market context contains forward looking information and is based upon the assumptions and subject to the material risks described at pages 2 and 3 of our 2018 annual management's discussion and analysis. Actual outcomes for future periods may be significantly different.

like we have seen over the past seven years, there is no perceived urgency to contract, and contracting activity and investment in new supply drops off. After years of low investment in supply, as has been the case so far this decade, security of supply tends to overtake price concerns at some point, and utilities re-enter the long-term market to ensure they have the reliable supply of uranium they need to run their reactors.

There have been three significant events that have changed sentiment in the market and impacted uranium prices in the past two decades. The first was a supply event in 2006 when our Cigar Lake mine flooded, putting at risk 18 million pounds of future annual supply. The second event was a demand shock in 2010 as Chinese utilities entered the market in a sizeable way, signing long-term uranium contracts with multiple suppliers to fuel their growing nuclear fleet. The third change in sentiment occurred in March 2011, when the events at the Fukushima nuclear power plants in Japan halted and reversed the upward price trend. Uranium prices fell, as did the share prices of companies involved in uranium exploration, development and production. As Japan idled its reactor fleet and acceptance of nuclear energy declined in certain countries, the uranium market entered a period of fundamental over-supply.

Market recovery has taken longer than originally anticipated as a result of a slower than expected pace of reactor restarts in Japan, unexpected reactor shutdowns in other regions, and delays in reactor construction programs.

However, in 2018, the uranium market improved significantly as a result of substantial production cuts, cuts to some secondary supplies, reductions in producer inventories, and an increase in demand for uranium in the spot market from producers and financial players. These actions helped remove excess material from the spot market and put upward pressure on the uranium spot price. At the end of 2018, the spot price was up almost 17% compared to the end of 2017. In addition, the market finally reached the point where, on an annual basis, consumption has returned to pre-2011 levels.



		1998	2003	2008	2013	2018
Cameco share price	TSX (CDN$)	$ 4.77	$ 12.46	$ 21.05	$ 22.04	$ 15.48
	NYSE (US$)	$ 3.10	$ 9.60	$ 17.25	$ 20.77	$ 11.35
U_3O_8 price	Long-Term	$ 11.10	$ 15.50	$ 70.00	$ 50.00	$ 32.00
	Spot	$ 8.75	$ 14.45	$ 52.50	$ 34.50	$ 27.75

Despite these improvements in the uranium market, we believe there is still a need for some caution in the near term. There continues to be a lack of acceptable long-term contracting opportunities in meaningful quantities. Long-term prices were up about 2% from the end of 2017, but are still not close to where they need to be to restart the significant idled production capacity that exists, and are far below the level that would warrant investment in value-adding growth opportunities.

While the reason for continued caution is the same as in 2017 (a lack of acceptable long-term contracting opportunities), the cause has changed. Previously, the lack of acceptable contracting opportunities was caused by an oversupplied uranium spot market, which led to complacency and discretion. However, in 2018, there were a number of significant supply and demand developments, which make for a lot of moving parts in our industry. These moving parts have shifted market sentiment to one of uncertainty and confusion, resulting in some market paralysis while participants try to digest the implications of the changing dynamics.

We have taken a number of deliberate actions to manage the company in the weak market environment, including:

- preserving our tier-one assets
- restructuring our organization for efficiency
- disciplined management of our production, inventory and purchases
- protecting and extending the value of our contract portfolio
- maximizing cash flow while maintaining our investment-grade rating
- positioning the company to self-manage risk and deliver long-term value.

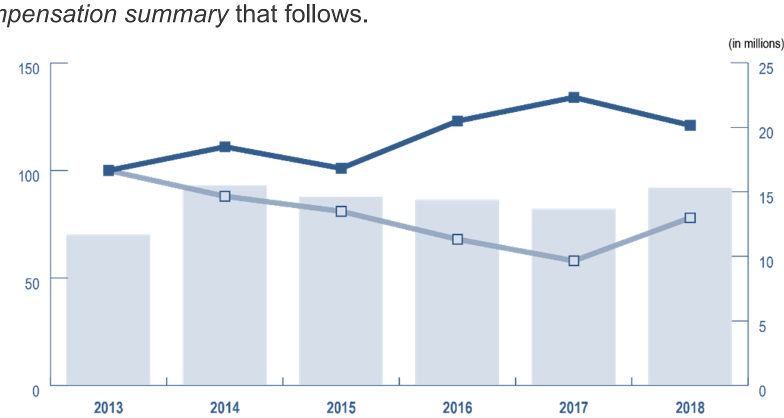
At the end of 2018, our share price was up about 33% compared to the end of 2017, reflecting the strengthening uranium spot price, and the deliberate actions we have taken to effectively manage the company in a low price environment. The share price also benefitted from the unequivocal win in our court case with the CRA for the 2003, 2005 and 2006 tax years. CRA has appealed the decision of the Tax Court of Canada, however, we expect the decision will be upheld on appeal and believe the decision should apply in principle to subsequent years.

Despite these positive developments, as we expected, the decisions to put a significant portion of our production capacity on care and maintenance come at a cost in the short term. Therefore, we continue to believe that our share price does not reflect the strength of our core business over the long term. In addition, outside factors creating uncertainty and confusion in the uranium market, including market access and trade policy issues, and global economic uncertainty continue to have a significant impact on the uranium market and in turn our share price.

Share performance and executive compensation

The graph below compares our TSR to the S&P/TSX Composite Total Return Index for the past five years, assuming an initial $100 investment at the end of 2013 and reinvestment of dividends over the period.

The graph also compares our TSR to the named executives' compensation and shows the correlation between our share price performance and executive compensation. The reported compensation reflects the CEO's and other named executives' compensation from the summary compensation table in our previous management proxy circulars. Where there were changes in named executives, we used the incumbents in place at the end of the year. Executive compensation generally decreases as the TSR decreases and increases as the TSR increases showing an alignment between shareholder value and executive compensation. For further information about how the CEO's realized and realizable compensation relates to shareholder return see the lookback table included in the *CEO compensation summary* that follows.



Cameco TSR	$100	$88	$81	$68	$58	$78
TSX Composite Total Return Index	$100	$111	$101	$123	$134	$121
Named executives reported compensation	$11,760,233	$15,513,674	$14,617,837	$14,446,905	$13,745,821	$15,289,074

Tim Gitzel,
President and CEO

CEO compensation summary

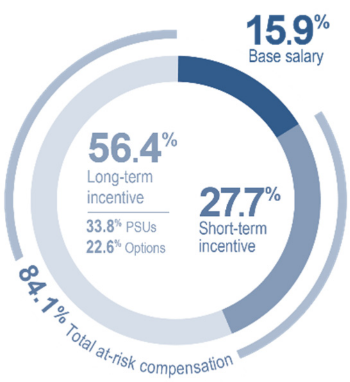
Tim Gitzel is responsible for our overall leadership, vision, and strategic direction. This includes overall responsibility for operating our business while managing risk to create long-term sustainable value for our shareholders.

2018 Key results

- Implemented strategic change initiatives to preserve the value of Cameco's assets and increase long-term shareholder value by suspending production at McArthur River and Key Lake for an indeterminate duration, restructuring our corporate office and decreasing costs, including lower direct administration and exploration costs, resulting in a reduction of approximately $25 million in annual expenses.
- Exceeded targeted adjusted net earnings by 280% in a challenging market.
- Achieved an average realized price that outperformed the market, at 51% above the average spot price for 2018.
- Exceeded sales target by over two million pounds.
- Achieved a clear and unequivocal win in the CRA tax case.
- Delivered strong safety performance.
- Maintained strong community relationships in northern Saskatchewan, with Cameco continuing to be a leading industrial employer of Indigenous people in Canada.

CEO compensation

2018 Pay Mix



- Tim's short-term incentive award target for 2018 is 120% of his base salary and was based 80% on corporate performance and 20% on individual performance. Our corporate performance achieved a score of 145% of target resulting in a short-term incentive award that is 174% of Tim's base salary.
- Tim received a long-term incentive award that is 355% of his 2018 base salary.
- Both incentive awards are at-risk compensation – the long-term incentive award is based on both performance and share price.

Compensation (as at December 31)	Three-year average	2018	2017	2016
Fixed				
Base Salary	$ 1,025,000	$ 1,025,000	$ 1,025,000	$ 1,025,000
At-risk compensation				
Short term incentive	$ 1,309,000	$ 1,784,000	$ 1,292,000	$ 851,000
Long term incentive				
PSUs	$ 2,183,555	$ 2,183,062	$ 2,182,950	$ 2,183,454
Options	$ 1,455,503	$ 1,455,454	$ 1,455,575	$ 1,455,480
Total direct compensation	**$ 5,972,658**	**$ 6,447,516**	**$ 5,955,525**	**$ 5,514,934**

CEO realized and realizable pay

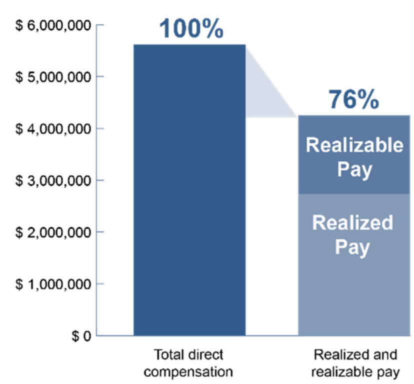
A significant component of CEO compensation consists of long-term incentives which are designed to focus the CEO on Cameco's long-term success. These incentives are directly affected by our share price and its TSR relative to the TSX index. As president and CEO, Tim receives over 60% of his compensation on a deferred basis as long-term incentives. This is performance and equity-based, at-risk compensation. The next table looks back at total direct CEO compensation during the last five years and compares it to the return on a shareholder's investment. The analysis is based on the return of a $100 investment by a shareholder at the start of a period, and the reinvestment of dividends over the period, compared to $100 of total direct compensation for the CEO for each year. The chart illustrates Cameco's strong track record of aligning CEO pay to Cameco's performance. In each year, the current value of $100 invested by a shareholder is greater than the current value of $100 in compensation awarded to Cameco's CEO.

	Total direct compensation	Realized pay[1]	Realizable pay[2]	Current value (realized pay + realizable pay)	Value of $100		
					Period	CEO	Shareholder
2014	$ 4,806,397	$ 2,555,237	-	$ 2,555,237	12/31/13 to 12/31/18	$ 53	$ 78
2015	$ 5,368,747	$ 2,872,659	-	$ 2,872,659	12/31/14 to 12/31/18	$ 54	$ 89
2016	$ 5,514,934	$ 3,121,306	-	$ 3,121,306	12/31/15 to 12/31/18	$ 57	$ 97
2017	$ 5,995,525	$ 2,317,000	$ 2,637,690	$ 4,954,690	12/31/16 to 12/31/18	$ 83	$ 115
2018	$ 6,447,516	$ 2,809,000	$ 4,966,002	$ 7,775,002	12/31/17 to 12/31/18	$ 121	$ 135

1. Includes salary, short-term incentive payout, PSU payout, and value realized from exercised stock options, if any.
2. Includes market value of PSUs including dividends (assuming PSUs vest at target) and realizable value of stock options that are in-the-money.

Lookback

The chart to the right shows the impact of at-risk pay and the effect that performance and share price have on realized and realizable pay. In it we show Tim's five-year average total direct compensation as set out above, compared to his average realized and realizable pay, also as set out in the above table. The realizable pay set out in the adjacent chart continues to be at risk.



Share ownership

Tim currently exceeds his share ownership requirement. He is required to own 4x his base salary in Cameco shares to align with shareholder interests, and the value of his shares and qualifying PSUs is nearly 7.5x his base salary. The table below shows Tim's share ownership as of December 31, 2018. The target value of share ownership is calculated by using Tim's 2018 base salary and the 4x multiple for his position, and is based on the year-end closing price of Cameco common shares on the TSX of $15.48 or the acquisition price of his shares or PSUs, whichever is higher. For additional details about share ownership *see Share Ownership on page 68.*

Base salary	Multiple	Target value of share ownership ($)	Cameco shares		Qualifying PSUs		Value of share ownership (shares and qualifying PSUs) ($)
			Number held (#)	Value ($)	Number held (#)	Value ($)	
1,025,000	4 x	4,100,000	299,594	5,524,156	136,924	2,119,588	7,643,744

Executive compensation

Compensation discussion and analysis

1. Approach

Our executive compensation program is based on strong principles, a disciplined process and thorough research and analysis.

Our program has three goals:

1. Attract, retain and motivate executives, who are operating in a highly-demanding, complex and competitive global business environment.
2. Establish a clear link between corporate performance and executive pay.
3. Motivate executives to create shareholder value by:
   - using total shareholder return as a performance measure
   - rewarding them when they successfully achieve corporate and individual performance objectives over the short and long term
   - ensuring a significant portion of their total compensation is at risk, reinforcing the importance strong leadership and their ability to influence business outcomes and financial performance, an is tied to share value to align the interests of executives and shareholders.

Target compensation

We target base salaries and total compensation at the median of our comparator group with the flexibility to position executive pay within the competitive range of the median for target performance.

The charts below show the 2018 target pay mix for total direct compensation for our named executives, and the amount of at-risk compensation.

We use financial and operational measures to assess performance for short- and long-term incentives.

Six principles drive our policy and program decisions relating to executive compensation:

1 TEAM
Promote executive teamwork by using incentive-based compensation that emphasizes corporate over individual performance.

2 PERFORMANCE
Base compensation decisions on corporate and individual performance, using a combination of financial, non-financial, internal and external measures, and absolute and relative performance, depending on short-term or long-term performance.

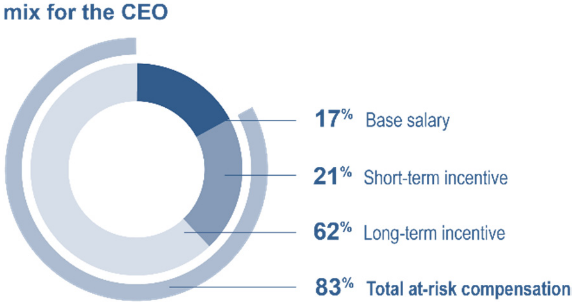
3 RETENTION
Focus part of the LTI program (PSUs) on absolute and controllable performance measures to retain skilled executives.

4 SHAREHOLDER ALIGNMENT
Use share ownership requirements and equity-based compensation to align executives with long-term interests of shareholders.

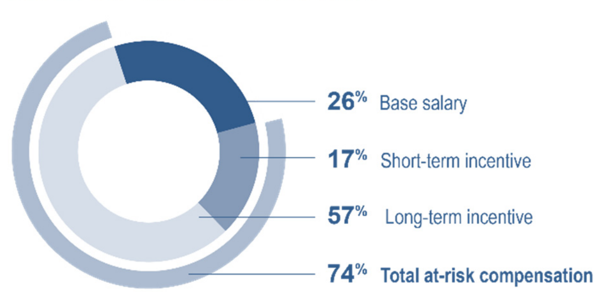
5 COMPARATOR
Benchmark shareholder experience and compensation program against a comparable group of companies.

6 MARKET COMPETITIVENESS
Target executive compensation around the range of the market median, depending on role, experience and performance, to ensure we can attract and retain our executive talent.

Target compensation mix for the CEO



Average target compensation mix for the other named executives



Research and benchmarking

We use national, provincial and industry compensation forecasts and benchmark our executive compensation against our comparator group for individual compensation components and total compensation by position. Performance, scope of the role, experience and internal equity are also considered.

We engage an independent compensation consultant for advice and analysis to make sure our executive compensation is fair and competitive and that we are balanced in our decision-making.

As a publicly-traded, global nuclear energy company based in Canada, we have no peers that are directly comparable, so the human resources and compensation committee, with the support of its independent consultant, established a comparator group of companies to assess executive and director compensation.

Benchmarking compensation

Our objective is to have a robust and stable group of companies to benchmark against that are comparable by size and industry. We use a multi-step evaluation process to determine companies appropriate for assessing market levels of compensation. The evaluation process is based on our existing criteria and is focused on companies in the resource industry (mining in particular) that are similar in size and complexity and are a relatively good fit with the overall group.

Comparator group

In 2018, we used one comparator group to benchmark our director and executive compensation.

The comparator group of 20 companies represents a cross-section of Canadian capital intensive companies from different sectors that are similar by size of assets, revenue, enterprise value, and market capitalization (generally ranging from one-third to three times the size of Cameco). These companies were also selected because they are in regulated or relevant industries, in complex businesses, have operations in multiple geographic locations and jurisdictions, and have their head office in Canada.

2018 Comparator group		
Diversified metals and mining	**Energy (oil, gas and methanol)**	**Utilities, energy infrastructure and power producers**
Agnico-Eagle Mines Ltd. Agrium Inc. Eldorado Gold First Quantum Minerals Ltd. Goldcorp Inc. Hudbay Minerals Inc. IAMGold Kinross Gold Corp. Lundin Mining Corp. New Gold Inc. Potash Corp. of Saskatchewan Teck Resources Yamana Gold Inc.	ARC Resources Crescent Point Energy EnCana Corp. Enerplus Resources Fund MEG Energy Corp. Methanex Corp.	TransAlta Corp.

THIS YEAR'S NAMED EXECUTIVES

We have five named executive officers (*named executives*) in 2018, including the chief executive officer, chief financial officer, and the next three most highly compensated officers at December 31, 2018.

- Tim Gitzel — President and Chief Executive Officer (CEO)
- Grant Isaac — Senior Vice-President and Chief Financial Officer (CFO)
- Brian Reilly — Senior Vice-President and Chief Operating Officer (COO)
- Alice Wong — Senior Vice-President and Chief Corporate Officer (CCO)
- Sean Quinn — Senior Vice-President, Chief Legal Officer and Corporate Secretary (CLO)

Share ownership

We require our executives to own Cameco shares so they have a vested interest in the company, aligning with shareholder interests.

Our share ownership guidelines are a multiple of base salary:

- CEO – 4 x base salary
- senior vice-presidents – 2 x base salary
- vice-presidents – 1 x base salary.

Executives must meet their ownership targets within five years of being appointed to the position. If an executive is promoted to a level with a higher share ownership target, he or she will have an additional three years to meet the increased target. Executives must use the after-tax proceeds from the payout of their PSU awards and the exercise of stock options to purchase additional Cameco shares until they have met the requirements.

Brian Reilly became a vice-president in March 2017 and was promoted to his senior vice-president position in July 2017. He has until March 2022 to meet his initial ownership target (1x base salary) and until March 2025 to meet his current ownership target (2x base salary). All of the other named executives meet their share ownership requirements.

The table below shows the number of shares held by our named executives on December 31, 2018. We calculate the target value of share ownership by using their 2018 base salary and the multiple for their position. Share value is based on the year-end closing price of Cameco common shares on the TSX of $15.48 or the executive's purchase price, whichever is higher. See the notes to the table below for information about how we determine the PSU value.

We believe our executive share ownership guidelines support best practices and align with the market generally, therefore no changes are planned for 2019.

				Cameco shares		Qualifying PSUs		Value of share ownership($) (shares and qualifying PSUs)	
Name	2018 base salary ($)	Multiple	Target value of ownership ($)	Number held (#)	Value ($)	Number held[3] (#)	Value[4] ($)		Meets share ownership target
Tim Gitzel[1]	1,025,000	4 x	4,100,000	299,594	5,524,156	136,924	2,119,588	7,643,744	Yes (186% of the target for the CEO)
Grant Isaac	550,000	2 x	1,100,000	87,185	1,471,398	51,745	801,017	2,272,415	Yes (207% of the target for the CFO)
Brian Reilly[2]	441,000	2 x	840,000	327	7,153	327	5,061	12,415	On track to meet the target for the COO
Alice Wong	444,700	2 x	889,400	75,485	1,290,696	33,474	518,177	1,808,873	Yes (203% of the target for the position)
Sean Quinn	430,000	2 x	860,000	42,190	858,361	32,371	501,101	1,359,462	Yes (158% of the target for the position)

1. See Tim Gitzel's profile on page 18 for the total number and value of the CEO's shares and all PSUs, not just qualifying PSUs.
2. Brian Reilly was promoted to vice-president in March 2017 and to his current position in July 2017. He has until March 2025 to meet his share ownership guideline.
3. This is the lesser of the number of PSUs and the number of Cameco common shares held by the named executive.
4. The number of qualifying PSUs multiplied by the closing price of Cameco shares on the TSX on December 31, 2018 of $15.48.

2. Annual decision-making process

The board, the human resources and compensation committee, and management are involved in compensation decision-making. The committee is responsible for making compensation recommendations to the board for its approval.

The illustration below shows our process, the different inputs we use to determine compensation, and the flow of information, recommendations and approval by our board.

Assessing the program

The human resources and compensation committee believes that it is good practice to review our compensation programs each year and continued this practice in 2018.

The committee reviews all policies and programs relating to executive compensation, which involves:

- establishing the annual corporate objectives to measure performance
- determining the proposed base salaries, short-term incentive awards, performance share unit awards and stock options
- evaluating performance
- reviewing and recommending executive compensation to the board for review and approval.

The committee retains an external consultant as an independent advisor on compensation matters who is also involved in the compensation review. Management retains a different external consultant as a general resource on human resources and other matters (*see Compensation governance starting on page 50 for more information*).

3. Measuring performance

Executive compensation decisions are based on corporate and individual performance. Performance objectives are tied to our strategy of focusing on our tier-one assets and profitably producing at a pace aligned with market signals to preserve the value of those assets and increase long-term shareholder value, and doing that with an emphasis on safety, people and the environment.

Corporate performance and measuring success

We assess our corporate performance by how well we achieve both financial and operational goals, and group our corporate objectives into our four measures of success:

- outstanding financial performance
- safe, healthy and rewarding workplace
- clean environment
- supportive communities.

Our four measures of success allow us to proactively address the financial, social and environmental aspects of our business. We believe that each is integral to our overall success and that together they will ensure our long-term sustainability.

The board approves our corporate objectives every year, as initially recommended by management and following reviews by the human resources and compensation and safety, health and environment committees. The corporate objectives are designed to support our strategic plan.

Linking pay to performance

The corporate objectives are used as performance measures under our short-term incentive (STI) plan. The table on pages 78 and 79 lists our 2018 corporate objectives and weightings, and the threshold, target, maximum and actual performance against these objectives under the STI plan.

Under our PSU plan, we assess performance over a three-year period based on three objectives, including relative TSR. These objectives were recommended by management, reviewed by the human resources and compensation committee, and then recommended to the board for approval. The table on page 75 sets out the measures for PSUs granted in 2018.

PSU awards granted in 2016 were measured against three performance targets. They vested on December 31, 2018 and were paid out early in 2019 based on our performance against those three targets for the three-year performance period (see pages 80 to 82 for the performance assessment and details of the payout).

Performance measures under our STI and PSU plans are linked to our strategic plan to ensure our long-term growth and focus on creating shareholder value. The better we perform, the greater the potential to realize a higher payout value.

Individual performance

The board assesses the CEO’s individual performance using the annual corporate objectives and recommendations by the human resources and compensation committee, which are based on:

- overall corporate performance
- implementation of the CEO’s strategies to increase shareholder value
- achievement of the CEO’s individual performance objectives.

The committee reviews feedback from all directors, reports from management and the CEO’s self-assessment and consults with its compensation consultant before making its recommendation to the board.

Every year the CEO assesses the individual performance of each senior vice-president using the annual corporate objectives as targets, with consideration of the executive’s influence in a given area. The CEO compares actual performance to the targets and evaluates the leadership effectiveness of the executive. The CEO discusses the performance of the executives with the committee and its compensation consultant. The committee then makes its recommendations to the board.

The board approves all decisions on executive compensation. See page 83 for details about the compensation decisions in 2019.

4. Compensation components

Five components make up total executive compensation:

- Base Salary
- Short-term incentive (STI)
- Long-term incentive (LTI)
- Pension
- Group benefits

at-risk compensation

FORM	PERFORMANCE PERIOD	HOW IT IS DETERMINED	RISK MANAGEMENT FEATURES
BASE SALARY	Provides market competitive level of fixed compensation		
Cash	One year	Based on current business challenges, experience, scope of the role, market competitiveness among the comparator group, individual performance and internal equity.	Fixed pay, paid throughout the year, provides a certainty at a base level for fulfilling their responsibilities. Represents 17-28% of target direct compensation of the named executives.
VARIABLE (AT-RISK SHORT TERM)	STI compensation encourages achievement of pre-established corporate and individual performance objectives. Payout is subject to a clawback policy		
Cash	One year	Focuses on specific annual objectives. Target award based on market competitiveness among the comparator group and other factors. Actual award based on corporate and individual performance.	Provides a balanced focus on short-term performance based on a pre-determined set of performance metrics weighted and scored in our scorecard. Actual payout on all metrics could be 0-200%. Targets and results are approved by the board. Targets are tested to determine the level of stretch. Using balanced and diverse performance metrics reduces the risk associated with emphasizing a single (or limited) performance measure.
VARIABLE (AT-RISK LONG TERM)	LTI compensation is an incentive to achieve longer-term performance and an opportunity to receive equity-based compensation aligned with shareholder interests. Payout is tied to Cameco share performance and is subject to a clawback policy		
Performance share units	Three-year term, with vesting at the end of three years	Focuses on longer-term objectives (three years). Target award based on market competitiveness of the LTI package among the comparator group and other factors. Actual payout based on our overall relative and absolute performance targets. At the board's discretion, payment is made in Cameco shares purchased on the open market, or in cash.	Performance is measured on previously established relative and absolute targets. Three-year vesting period maintains longer term focus for decision-making and management of business. Vesting and payout eligibility capped. Payout on the relative TSR metric could be 0-200% and on the other metrics could be 0-150%. Stretch targets are based on achievement better than the comparator group and market.
Stock options	Eight-year term, with one-third vesting each of the first three years starting on the first anniversary of the grant date	Target award based on market competitiveness of the LTI package among the comparator group and other factors. The final realized value is based on the appreciation of Cameco's share price.	Provides a balanced incentive to take appropriate risks. Three-year vesting eligibility period and eight-year term maintain longer-term focus for decision-making and management of business.
Restricted share units	Typically a three-year term, with vesting at the end of three years	Not a regular part of the executive compensation program. Used occasionally as a targeted retention tool in individual circumstances. At the board's discretion, payment is made in Cameco shares purchased on the open market, or in cash.	Vesting over time supports retention and longer-term focus for decision-making.
RETIREMENT BENEFITS			
Defined contribution pension plan and supplemental executive pension program (defined benefit)	Ongoing	Based on market competitiveness and legislative requirements.	Tax efficient way to provide employment benefits. Provides security for employees and their families.
Group insurance, health and dental, income protection	Ongoing	Based on market competitiveness.	

We also have employment agreements with our named executives (*see page 91*).

Base salary

Typically we target base salaries at the median of the comparator group. We review base salaries every year, and compare them to similar positions in the comparator group. Then we review our corporate performance, the individual's performance, experience and scope of the role, as well as internal equity, to make sure any increases are fair and balanced. Salary adjustments, if any, for our named executives are generally effective January 1.

Short-term incentive (STI)

The STI plan gives executives the opportunity to earn a cash bonus based on their success in achieving pre-established corporate and individual performance targets for the year.

Cameco has to meet a minimum level of performance (threshold) for each measure before being eligible for a payout of 50% on that measure. Achieving target produces 100% payout on that measure. The maximum payout on any STI target is 200%. There is no payout if performance is below threshold. Individual performance has a maximum payout factor of 150%. The targets are considered challenging or stretch.

The human resources and compensation committee sets the STI target for each executive based on position, internal equity and market competitiveness. The table below shows the current target levels and weightings used to establish the actual awards. The weighting of corporate and individual performance is the same for all executives, which promotes executive teamwork and closely aligns the interests of executives and shareholders. Actual bonuses are based on performance for the year and paid in the following year after our year-end results are released.

Position	STI target for 2018 (% of base salary)	Corporate performance weighting	Individual performance weighting
CEO	120%	80%	20%
Senior vice-presidents	60-75%	80%	20%

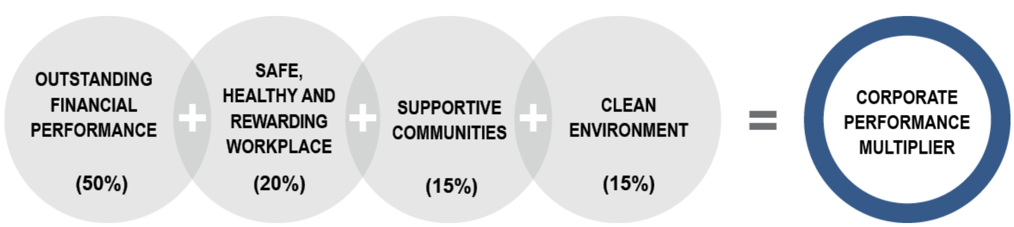
Determining the payout

We use a balanced scorecard to broadly measure corporate performance and give participants a clearer picture of their potential award. The scorecard includes all of the corporate objectives and applies a weighting to each one. Individual performance is also measured.

Measuring corporate performance

The board establishes the measures and weightings every year based on the recommendation of the committee. These objectives represent our four measures of success which highlight the importance we place on our financial and non-financial measures and the social and environmental aspects of our business as a responsible corporation.

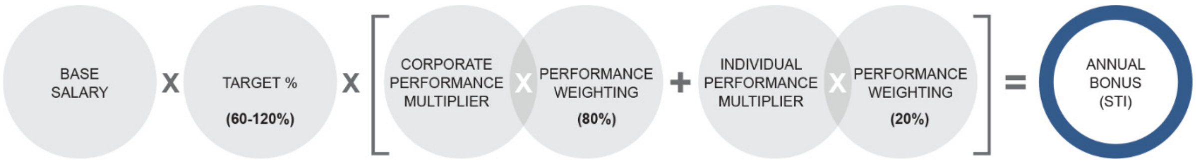
Part of the process for determining the STI award is for the human resources and compensation committee to consult with the safety, health and environment committee on our performance related to safety, health and the environment and related corporate results. A recommendation is then brought forward by the human resources and compensation committee to the board.



Measuring individual performance

The committee determines the individual performance measures and weightings for the CEO, while the CEO establishes the same for the other named executives. Assessment of individual performance is based on the executive's contribution to corporate performance and individual performance measures. The CEO assesses individual performance for the named executives and presents them to the committee. The committee assesses the CEO's performance.

Once the individual performance assessment is complete, the assessments are approved by the committee. The corporate performance multiplier and the executive's assessment results are put into the formula below to determine the annual bonus for each named executive.



Using judgment

The board can use discretion to increase or decrease the amount of the STI award when there are significant external challenges or opportunities that were not contemplated or reasonably expected when the objectives were set. It cannot exceed the overall maximum payout of 200%.

Long-term incentive (LTI)

LTI provides executives and management employees the opportunity to receive equity-based compensation to drive longer-term performance. Both the committee and the board believe equity-based compensation is important for motivating employees to deliver strong longer-term performance, aligning their interests with those of our shareholders and providing pay that is competitive with the market.

LTI is awarded to executives as PSUs and stock options, with RSUs granted under limited circumstances. This LTI mix allows us to use different vesting criteria, eligibility and performance measures for at-risk compensation. Since 2016, we have measured relative TSR performance against the TSX 60 rather than our compensation comparator group (*see page 67 for companies in our compensation comparator group*).

Award	How it's used	Business focus	Who participates	Vesting	How it's settled	Alignment with shareholders
PSUs (page 74)	60% of target LTI award	Performance vesting criteria Directly linked to long-term, absolute and relative performance and share price Reduces the number of option awards, lessening the dilutive impact to shareholders	Vice-presidents and above	Based on financial and operating performance and TSR at the end of a three-year period	Cameco shares purchased on the market or cash	Motivates executives to create shareholder value that can be sustained over a longer period on both an absolute and relative basis Non-dilutive
Stock options (page 76)	40% of target LTI award	Ties a portion of future compensation to the long-term performance of our shares	Vice-presidents and above	Vest over three years, expire after eight years	Option to buy Cameco shares issued from treasury at the exercise price	Motivates executives to increase shareholder value
Restricted share units (page 77)	Mainly for targeted retention	Ties a portion of future compensation to the longer term performance of our shares	Select executives	Typically at the end of three years	Cameco shares purchased on the market or cash	Motivates executives to increase shareholder value Non-dilutive

Determining the mix

The committee evaluates the mix of options and PSUs every year, and discusses national trends with its compensation consultant, including the importance of stock options in our industry and the emphasis Canadian public companies continue to place on stock options and other equity-based awards. The committee takes into account previous awards of PSUs and options when it considers new LTI grants.

Governance concerns have been expressed about the use of stock options and the committee regularly reviews the merits of keeping stock options in our compensation program. Stock options align with share price improvement over a longer-term horizon and are a common form of LTI in our comparator group.

The committee set the 2018 target mix of the long-term incentive awards at 60% PSUs and 40% options, so that all of the LTI is performance based, with options only having a value to the extent share price increases and PSUs vesting based on performance against a number of factors including relative TSR.

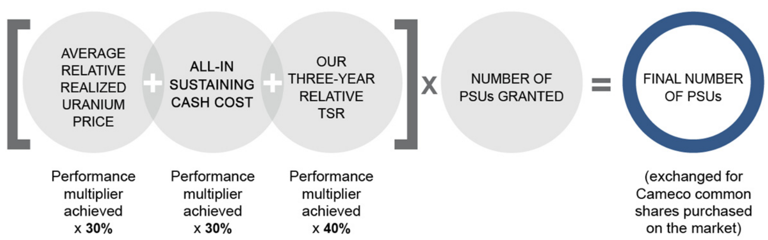
LTI awards are granted every year on the first business day in March after we publicly disclose our results for the previous fiscal year. If we impose a trading blackout period that includes the first business day in March, we will make the grants on the next trading day after the blackout period has ended.

The board can grant special LTI awards at other times during the year if required for promotions, new hires or to address specific business issues.

Non-executive employees (union and non-unionized) participate in the employee share ownership plan (ESOP). Cameco makes an annual base level of contribution to the plan, and matches 50% of employee contributions up to a maximum of 1.5% of an employee's base salary. Executives do not participate in ESOP because they participate in the PSU plan.

Performance share unit (PSU) plan

The PSU plan design is described in the table on the previous page, including vesting at the end of a three-year period. The formula below shows how the performance factors determine the final number of PSUs on vesting.



The performance multipliers are determined at the time of each PSU award and may be different depending on the three-year period. All-in sustaining cash cost was established as the operations measure in 2017, replacing production. The performance multipliers of the three most recent PSU awards are as follows:

2016 Award (vests December 31, 2018; payout March 2019)	**2017 Award** (vests December 31, 2019; payout March 2020)	**2018 Award** (vests December 31, 2020; payout March 2021)
• average relative realized uranium price	• same as 2016	• same as 2016
• tier-one production	• all-in sustaining cash cost	• all-in sustaining cash cost
• three-year relative TSR (compared to TSX 60)	• same as 2016	• same as 2016

Each PSU represents an opportunity to receive a Cameco common share purchased on the open market at the end of the three-year performance period (or cash, at the board's discretion). Beginning January 1, 2018, new PSUs will earn dividend equivalents in the form of additional PSUs.

We use a scorecard to align senior management's compensation with their ability to improve corporate performance over the three years. The PSUs measure absolute and relative performance so management maintains a balanced, longer-term focus on delivering shareholder value.

Performance measures are based on a combination of two corporate measures – one absolute and one relative – and relative TSR, which has the highest weighting of the three measures. TSR is a good reflection of performance when comparing like companies in a comparable industry and the same commodity. As companies in our comparator group are not affected by the uranium price like Cameco, we believe that TSR is a challenging performance target in the current depressed uranium market.

The human resources and compensation committee reviews the performance measures and targets every year and recommends them to the board for approval. The targets are set on the basis that they are challenging to achieve. The table below shows the measures and weightings for PSUs awarded in 2018 for 2018 to 2020 performance.

Measure	Weighting	Description	What it measures
Average relative realized uranium price 0 to 150%	30%	Achieve an average realized price for uranium sales for a three-year period that exceeds the weighted average price for sales in two independent industry benchmarks for the same period: • EIA (US energy information administration) price for sales in the US • ESA (Euratom supply agency) price for sales in Europe. The payout at the end of the three-year period is based on 2017, 2018 and 2019 sales due to timing of when pricing information is available.	Measures performance relative to our competitors. Consistently achieving higher prices than our competitors is a stretch target because uranium is a fungible product and we need to distinguish our uranium from our competitors to achieve a premium price. We use these pricing indicators because they are publicly-available measures set by independent third parties.
All-in sustaining cash cost (AISCC)[1] 0 to 150%	30%	Achieve three-year cumulative cost reductions while safely achieving steady production at the Saskatchewan tier-one operations in the three-year period from 2018 to 2020.	Measures absolute performance and ties directly to our strategic plan.
Three-year relative total shareholder return (TSR) 0 to 200%	40%	Achieve three-year average TSR at the median of the three-year average TSR achieved by companies in the TSX 60. We define TSR as the change in price of a Cameco common share, including reinvestment of dividends, on the TSX during the three-year period from 2018 to 2020.	Measures performance relative to the broader index.
PERFORMANCE MULTIPLIER Maximum of 170%		The overall performance factor is the sum of the three weighted targets above.	
INITIAL GRANT OF PSUs		Notional units awarded at the beginning of the three-year performance period.	
PSU PAYOUT		Payout amount is the initial number of PSUs granted, plus dividend equivalents, multiplied by the PSU performance multiplier, exchanged for the equivalent number of Cameco common shares, after deducting applicable withholding taxes.	

1. Cash outlay to sustain the operation of the site. It does not include growth capital or royalties. This information is prepared as part of each site's annual three-year business and budget plan and is incorporated in the monthly financial report for each site.

PSU performance multiplier

The performance multiplier for each measure depends on our performance against each target. The table below shows how we assessed performance against each measure in 2018 for 2016 to 2018 performance and the PSU scorecard on page 81 shows assessment outcomes.

Performance measures (and weighting)	Threshold performance	If we achieve:	Then the performance multiplier is:
Average realized uranium price (30%)	80% of our target of 100%	Less than 80% of the corresponding target	0%
		80 to 120% of the corresponding target	50 to 150% (in a straight-line interpolation)
Tier-one production (30%)		More than 120% of the corresponding target	150%
Our three-year average TSR (40%)	35th percentile (target is the 50th percentile)	Below the 35th percentile among our comparator group	0%
		From the 35th to the 50th percentile	40 to 100% (in a straight-line interpolation with 100% at the 50th percentile)
		50th percentile	100%
		50th to 75th percentile	100 to 200% (in a straight-line interpolation)
		Higher than the 75th percentile	200%

Vesting

Payout formulas have been established for each performance measure, taking into account different levels of threshold performance to determine the performance multiplier, and to cap payouts to eliminate any excessive risk-taking.

Applying discretion

The committee can use discretion to make adjustments, so that payouts appropriately reflect performance and discourage excessive risk-taking. We fully disclose any use of discretion, together with the rationale and the particular circumstance. No adjustments were made for 2018 performance.

Stock option plan

We provide a stock option plan for executives at the vice-president level and above. The committee takes into account previous equity awards when it considers new grants of options. The board fixes the exercise price of an option at the time of the grant at the TSX closing price of Cameco common shares on the trading day immediately before the date of the grant.

If an option holder leaves the company, any unvested options will vest during a specific period of time depending on the reason for leaving. Vested options can be exercised during the same period. See *Termination and change of control benefits* starting on page 91 for details.

No more than 10% of our total issued and outstanding shares can be issued to insiders in a year under the stock option plan and any other security-based compensation arrangement. No more than 5% of our total issued and outstanding shares can be issued to any one person. Options cannot be transferred to another person (other than by will or intestate succession).

Making changes – The board can change, suspend or terminate the stock option plan, subject to the laws that apply, including but not limited to the rules, regulations and policies of any stock exchange where our shares are listed. Some changes may require approval from shareholders or a governmental or regulatory body.

Neither the board, the human resources and compensation committee nor shareholders can alter or affect the rights of an option holder in a negative way without his or her consent, except as described in the plan. See Appendix C for information about changes to the stock option plan that must be approved by shareholders.

According to the TSX rules for reporting on equity compensation plans, there were no plan changes in 2018.

The *Summary compensation table* on page 84 gives information about the grant date value of options awarded to the named executives over the past three years. The *Incentive plan awards* table on page 86 gives information about the 2018 year-end value of the named executives' unexercised options and PSUs that have not vested.

Restricted share units

The board grants RSUs from time to time to senior management, mainly as a targeted retention tool, on the recommendation of the committee. RSUs typically vest at the end of three years. Management employees below the level of vice-president receive their annual LTI awards as RSUs and they vest one-third each year over three years.

Each RSU represents one notional common share. The board has discretion to decide whether the payout is in Cameco shares purchased on the open market, or in cash based on the weighted average closing price of Cameco shares on the TSX for the 20 trading days immediately before the vesting date, after deducting withholding taxes.

Pension

Pensions are an integral part of total compensation and a cost-effective and important benefit for attracting and retaining executives and other employees. Executives participate in a registered base plan and a supplemental program.

Registered base plan – We have a registered defined contribution plan for eligible employees. All of the named executives participate in our defined contribution plan. We contribute 12% of the named executive's pensionable earnings to the defined contribution plan every two weeks up to the annual dollar limit allowed by the Canada Revenue Agency. The maximum dollar amount for 2018 was $26,500.

Supplemental program – This non-contributory supplemental defined benefit retirement plan is designed to attract and retain talented executives over the longer term. It provides a retirement income that is commensurate with the executive's salary and offsets the registered pension plan limits under the *Income Tax Act* (Canada).

All of our Canadian-based management at the vice-president level and above participate in the supplemental retirement plan (see *Pension benefits* on page 89 for more information).

Benefits

Group benefits – We provide group benefits to all our employees. The named executives participate in an enhanced program and receive coverage similar to those offered by companies in our comparator group. These benefits include life insurance, long-term disability insurance, extended health care, dental care and emergency medical coverage.

Perquisites – Our named executives also receive additional benefits as part of their total compensation, similar to those offered by companies in our comparator group. These include a financial and tax planning allowance, a vehicle allowance, an executive medical plan, additional life insurance and salary protection in the event of short-term disability.

5. 2018 Performance and compensation

Base salary

The named executives did not receive salary increases for 2018, except for the chief operating officer who was appointed in July 2017 and received a 5% increase in base salary effective January 1, 2018 to move him closer to the market median for his role.

Short-term incentive (STI)

The STI award is based on targets set for each named executive as a percentage of base salary and actual corporate and individual performance. Target awards are set at the median of those of our comparator group. The plan design is based 80% on corporate performance and 20% on individual performance for all executives.

Corporate performance was assessed at 145% for 2018, compared to 95% for 2017, reflecting strong company performance in 2018. STI awards are reported in the summary compensation table on page 84, and you can find a complete description of the plan design beginning on page 72.

2018 results

Cameco's performance in 2018 was strong despite a tough market where uranium prices remained low. We delivered strong results in terms of our annual financial performance and supportive communities' commitments, and solid results on our safety and clean environment commitments. In 2018, a leading indicator safety target was added to the STI targets to reflect the company's focus on using leading indicators as a precursor to improving safety performance. In 2018, management took a number of deliberate actions focused on controlling what we can and on strengthening the company for the long term. We curtailed additional supply and further streamlined the organization targeting significant cost reductions.

Detailed STI performance results and weightings are reported in the *STI scorecard* that follows. The human resources and compensation committee and the board scrutinize the results, including the adjusted net earnings performance. See note 1 to the *STI scorecard* that follows for information about how we arrived at our adjusted net earnings performance.

About the payouts

Threshold performance provides a 50% payout on that measure, while performance at target produces a 100% payout, and maximum performance provides a 200% payout.

There is no payout if performance is below threshold. We have a 200% cap on payouts for performance above the maximum to mitigate excessive risk-taking.

STI scorecard

2018 STI targets Objective/target	Threshold	Target	Maximum	Actual performance	Payout percentage	Performance weighting	Payout
OUTSTANDING FINANCIAL PERFORMANCE (50% weighting)							
Achieve budgeted adjusted net earnings	$30	**$45**	$60	Adjusted net earnings were $171 million[1]. Performance exceeded our target maximum.	**200.0%** x	25% =	50.0
Achieve budgeted cash flow from operations (after working capital changes). ($ millions)	$494	**$617**	$740	Cash flow from operations (after working capital changes) was $614 million[1]. Performance almost reached our target.	**98.8%** x	25% =	24.7

2018 STI targets

Objective/target	Threshold	Target	Maximum	Actual performance	Payout percentage		Performance weighting	Payout
SAFE, HEALTHY AND REWARDING WORKPLACE (20% weighting)								
If a fatality or permanent disability were to occur, the entire safety performance would default to 0%.								
Strive to complete corrective actions on time.	52.8%	**66.0% or higher**	79.2%	In 2018, corrective actions were completed on time 90% of the time. This exceeded our target maximum.	**200.0%**	x	10% =	20.0
Strive for no injuries at all Cameco-operated sites and maintain a long-term downward trend in combined employee and contractor radiation doses, and injury frequency and severity (measured by TRIR[2]).	2.30	**1.94 or lower**	0.70	TRIR[2] did not achieve our 2018 target performance, but performance was stronger year-over-year and reached our threshold target. There were no significant safety incidents in 2018.	**54.2%**	x	10% =	5.4
SUPPORTIVE COMMUNITIES (15% weighting)								
Implement Collaboration Agreements by supporting northern business development opportunities through sourcing services from northern Saskatchewan vendors.	72%	**75% to 80%**	≥83%	In 2018, 89% of northern services were sourced from northern Saskatchewan vendors. This exceeded our target maximum.	**200.0%**	x	15% =	30.0
CLEAN ENVIRONMENT (15% weighting)								
If an incident occurs that results in moderate or significant environmental impacts or current and future remediation costs of greater than or equal to $1 million or which has a reasonable potential to result in significant negative impact on the company's reputation with our major stakeholders, the payout would default to 0%.								
Improve environmental performance in significant environmental aspects by achieving divisional targets.	80%	**100%**	120%	Environmental performance targets were within the target performance range. There were no significant environmental incidents in 2018.	**100.0%**	x	15% =	15.0
OVERALL 2018 STI PERFORMANCE				**2018 CORPORATE PERFORMANCE MULTIPLIER**				**145%**

1. We use *adjusted net earnings* and *cash flow provided by operations* (after working capital changes) as a more meaningful way to compare our financial performance from period to period. These measures do not have a standardized meaning or a consistent basis of calculation under IFRS, and they should not be considered in isolation or as a substitute for financial information prepared in accordance with IFRS. Other companies may calculate these measures differently. The *adjusted net earnings* and *cash flow provided by operations* amounts in the 2018 compensable targets table are different than what are reported in our 2018 annual management discussion and analysis (2018 MD&A). As reported in further detail on page 27 of our 2018 MD&A, adjusted net earnings starts with reported net loss attributable to equity holders and is then increased by a net $45 million to exclude the effect of adjustments on derivatives, impairment charges, reclamation provision adjustments, the gain on restructuring of JV Inkai, and income tax adjustments. For compensation purposes, adjusted net earnings as reported in our 2018 MD&A is further adjusted for variances in foreign exchange rates as compared to budget. To calculate *cash flow from operations*, we start with cash provided by continuing operations as reported on page 26 of our 2018 MD&A and adjust for variances in foreign exchange rates and differences from expected tax remittances to our CRA dispute as compared to budget.
2. The total recordable incident rate (TRIR) is an Occupational Safety and Health Administration (OSHA) safety metric that was adopted by the company to continue to drive improvements in safety performance. TRIR is a measure of the rate of "recordable" workplace injuries. Examples of "recordable injuries" are a medical treatment (other than first aid), restricted work, lost-time and other specific injuries such as 10 decibel hearing loss, loss of consciousness and broken bone.

Individual performance

Individual CEO performance was assessed against the following core measures set for 2018, similar to those set in previous years:

Key operating results Strategic change initiatives Leadership effectiveness	The committee can also add any other performance measures it deems appropriate

In developing its recommendation for the board, the committee assessed overall CEO performance using these measures as well as corporate performance, implementation of our strategy to achieve shareholder value, the recommendations from the compensation consultant, feedback from board members, and the CEO's own self-assessment.

The board discussed the results of the CEO assessment and considered the committee's recommendation during an *in camera* session without management present before approving the CEO's 2018 STI award. The board's decision to provide an above-target payout to the CEO on individual performance was based on his strong leadership, significant performance results (including costs savings) and strategic change initiatives made during 2018. Some of the 2018 cost savings included lowering direct administration costs by 17 percent, lowering exploration costs by 33 percent, and lowering capital expenditures by 53 percent from 2017.

The CEO determines the individual performance measures that will be used for the other executives, sets the weightings for each, and conducts a performance assessment for each senior vice-president. Senior vice-presidents assess the performance of vice-presidents. For each of the senior vice-presidents, the CEO provided a detailed assessment of their performance, particular achievements and leadership. The committee considered these assessments in light of the key operating results for 2018 and approved the CEO's recommended performance assessments for each of the senior vice-presidents, including the named executives.

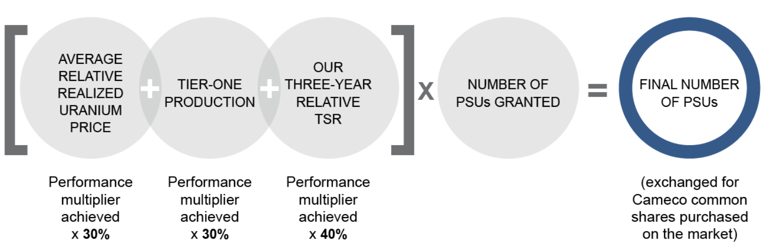
Long-term incentive (LTI)

Each LTI award is based on the level of the position, internal equity and overall market competitiveness. The 2018 LTI awards were benchmarked to the median of the comparator group. LTI awards are reported in the *Incentive plan awards* table on page 86.

Position	LTI award (% of base salary)	Actual % of PSUs and Options granted in 2018 (PSUs/options)
President and CEO	355%	60/40
Senior Vice-President and Chief Financial Officer	250%	60/40
Senior Vice-President and Chief Operating Officer	225%	60/40
Senior Vice-President and Chief Corporate Officer	200%	60/40
Senior Vice-President, Chief Legal Officer and Corporate Secretary	200%	60/40

The table on page 75 explains the targets and weightings for PSUs awarded in 2018.

Payout of 2016 PSU awards



PSUs granted on March 1, 2016 were for the three-year performance period from January 1, 2016 to December 31, 2018.

PSU scorecard

The calculated payout of the 2016 PSU awards for the performance period January 1, 2016 to December 31, 2018, was 61.1% of the number of PSUs granted. The payout was made in March 2019. The following table shows the threshold, target and maximum for each objective and our results against the three performance measures under the plan at the end of the performance period.

Three-year results (ending December 31, 2018) Corporate objective/target	Threshold	Target	Maximum	Actual performance	Performance payout	Weighting	Performance multiplier
Average realized uranium price 0 to 150% Achieve an average realized price for uranium sales for a three-year period that exceeds the weighted average price for sales in two industry benchmarks for the same period – the EIA price for sales in the US and the ESA price for sales in Europe. The 2016 grant is based on 2015, 2016 and 2017 sales due to timing of when pricing information is available.	80% of target	**100% of target**	At or above 120% of target	Achieved an average realized price for uranium sales of $41.04 (US), above the weighted average price for sales in two industry benchmarks for the same period.			
	$31.98	**$39.97**	$47.96	**102.7% achievement**	= **106.8%** x	30% =	32.04
Tier-one production 0 to 150% Produce 61.4 million pounds U_3O_8 (our share) in the three-year period 2016 to 2018 from our tier one operations (McArthur River/Key Lake, Cigar Lake, Inkai).	80% of target	**100% of target**	At or above 120% of target	Achieved 98.7% of our tier one production for a total of 60.7 million pounds.			
	49.1 million pounds	**61.4 million pounds**	73.7 million pounds	**98.7% achievement**	= **96.8%** x	30% =	29.04
Our three-year average total shareholder return (TSR) 0 to 200% Achieve three-year average TSR that is the median of the three-year average TSR achieved by companies in the comparator group in effect at the time. We define TSR as the change in price of a Cameco common share, including reinvestment of dividends, on the TSX for the three-year period 2016 to 2018.	At the 35th percentile	**At the 50th percentile**	At or above the 75th percentile	Three-year average TSR was at the 20th percentile of our comparator group for the three-year vesting period from 2016 to 2018.			
	P35	**P50**	P75	**P20 achievement**	= **0.0%** x	40% =	0.0
PSU PERFORMANCE MULTIPLIER **Sum of the three weighted factors**							61.1%

Relative performance

The 2016 PSU awards vested based on performance conditions that were set at the time of the grant. We assessed our TSR performance relative to our comparator group at the time the awards were granted. The group consists of the TSX 60 group of companies. Our three-year average TSR for 2016 to 2018 was at the 20th percentile of the companies in the comparator group.

Grant value vs. payout value

The grant value of the PSUs in 2016 was based on $16.38, our closing share price on the TSX on the day prior to the grant (as disclosed in the summary compensation table of our 2017 proxy circular).

The payout amount is the initial number of PSUs granted, multiplied by the PSU performance multiplier (calculated at a payout of 61.1% of the number of PSUs granted). This results in a payout of 57.0% of the original grant date value based on performance and share price.

The table below shows the calculation of the payout on or about March 1, 2019 for each named executive. The value of the payout is based on $15.29, the actual average purchase price of our common shares purchased on the TSX on behalf of the named executives on or about March 1, 2019.

			(Multiplier x Weighting)						
Name	2016 PSU award (# of units)		Average realized uranium price		Tier-one production		Our three-year average TSR		Value of total 2016 PSU payout ($)
Tim Gitzel	133,300								1,245,306
Grant Isaac	50,350								470,379
Brian Reilly	–	x	(106.8% x 30%	+	96.8% x 30%	+	0.0% x 40%)	=	–
Alice Wong	32,600								304,564
Sean Quinn	31,500								294,289

The next table shows the vesting history of PSUs awarded to our named executives and paid out over the past three years. Awards vested below target in 2017, 2018 and 2019, highlighting the at-risk structure and link between pay and performance.

PSUs awarded in	Vested as a % of target	Paid out in shares, after deducting withholding taxes
2016	61.1%	March 2019
2015	65.6%	March 2018
2014	60.8%	March 2017

6. 2019 Compensation decisions

Base salary

In 2016 and continuing through 2018, Cameco has made tough but necessary business decisions that included streamlining the organization and freezing salaries for much of the organization in 2017 and 2018 to reduce operating and general administrative expenses. As a result, the CEO recommended that the named executives not receive salary increases for 2017 or 2018, except for the chief operating officer who was appointed to the role in July 2017 and received at 5% increase in base salary effective January 1, 2018 to move him closer to the market median for his role. The board approved measured salary increases for the named executives for 2019 to position their pay around the market median.

Short-term incentive (STI)

The STI plan will continue to use a balanced scorecard approach that supports Cameco's four measures of success. The plan emphasizes strong financial performance with 50% of the STI plan based on achievement of financial results.

Long-term incentive (LTI)

2019 LTI awards

Each LTI award is based on the level of the position, internal equity and overall market competitiveness. LTI awards granted to executives in early 2019 were benchmarked at the median of the comparator group and based on a percentage of base salary (see page 80 for details about each position).

Starting with 2018 grants, PSUs earn dividend equivalents in the form of additional PSU. The dividends vest in proportion to the underlying PSUs and are paid out when the award is settled.

PSUs and options were granted to the named executives on March 1, 2019 as follows:

- the LTI award is made up of 60% PSUs and 40% options
- PSUs vest at the end of a three-year period based on our performance against the following criteria: our average realized uranium price relative to industry benchmarks (30%), all-in sustaining cash cost (30%) for our Saskatchewan tier-one operations (see page 74 for a description of what this includes) and our three-year average TSR (40%) relative to the TSX 60 index.

Name	Securities under options granted (#)	Value of options on date of grant[1] ($)	Exercise price ($/security)	Expiry date	PSUs granted[2] (#)	Value of PSUs granted[3] ($)	Date when performance period matures
Tim Gitzel	275,400	1,506,438	15.27	02/28/2027	148,000	2,259,960	12/31/2021
Grant Isaac	104,100	569,427	15.27	02/28/2027	55,900	853,593	12/31/2021
Brian Reilly	78,750	430,763	15.27	02/28/2027	42,300	645,921	12/31/2021
Alice Wong	67,300	368,131	15.27	02/28/2027	36,150	552,011	12/31/2021
Sean Quinn	83,400	456,198	15.27	02/28/2027	44,800	684,096	12/31/2021

1. *Value of options*

   Options granted on March 1, 2019 expire on February 28, 2027 and are valued at approximately $5.47 per option using the Black-Scholes option-pricing model. The compensation consultant used the following key assumptions in the model when comparing companies.

Dividend yield (%)	Volatility (%)	Risk-free rate (%)	Expected life (years)	Exercise price ($)
0.6	38.3	1.9	5.5	15.27

   In its analysis for the human resources and compensation committee, the compensation consultant estimated the expected value of Cameco's options using the expected life of the option (average of a full term of eight years and a three-year vesting period). This approach is consistent with the majority of companies in our comparator group and is sensitive to the assumptions used. The figures may not be directly comparable across companies, but for compensation valuation purposes a consistent approach has been used. The exercise price of $15.27 per option is based on the closing price of Cameco shares on the TSX on the day immediately before the grant.

2. *PSUs granted*

   The number of PSUs reflects 100% of the original number of PSUs awarded and has not been adjusted to reflect performance. PSUs accumulate dividends during the vesting period. The actual number of PSUs earned can vary from 0 to 200% of the original number granted based on corporate performance.

3. *Value of PSUs granted*

   The values represent the number of PSUs granted to each named executive, multiplied by $15.27, the closing price of Cameco shares on the TSX on the day immediately before the grant. The PSUs granted on March 1, 2019 are for the three-year performance period from January 1, 2019 to December 31, 2021.

2018 Details

Summary compensation table

The table below shows the base salary, incentive-based awards, pension value and other compensation awarded to the named executives in 2018 and the previous two years.

Name and principal position	Year	Salary[1]	Share-based awards[2]	Option based awards[3]	Annual incentive plans[4]	Pension value[5]	All other compensation[6]	Total compensation
Tim Gitzel President and Chief Executive Officer	**2018**	**$1,025,000**	**$2,183,062**	**$1,455,454**	**$1,784,000**	**$318,300**	**–**	**$6,765,816**
	2017	$1,025,000	$2,182,950	$1,455,575	$1,292,000	$302,900	–	$6,258,425
	2016	$1,025,000	$2,183,454	$1,455,480	$851,000	$409,200	–	$5,924,134
Grant Isaac Senior Vice-President and Chief Financial Officer	**2018**	**$550,000**	**$825,228**	**$549,934**	**$598,000**	**$186,300**	**–**	**$2,709,462**
	2017	$550,000	$824,670	$550,070	$433,000	$170,400	–	$2,528,140
	2016	$550,000	$824,733	$550,080	$285,000	$348,300	–	$2,558,113
Brian Reilly Senior Vice-President and Chief Operating Officer	**2018**	**$441,000**	**$595,432**	**$396,858**	**$448,000**	**$509,400**	**–**	**$2,390,690**
	2017	$341,610	$129,654	$86,397	$212,000	$971,700	–	$1,741,361
	2016	$284,740	–	$91,116	$94,050	–	–	$469,906
Alice Wong Senior Vice-President and Chief Corporate Officer	**2018**	**$444,700**	**$533,738**	**$355,740**	**$387,000**	**$(1,200)**	**–**	**$1,719,978**
	2017	$444,700	$533,610	$355,770	$277,000	$5,700	–	$1,616,780
	2016	$444,700	$533,988	$355,680	$185,000	$160,400	–	$1,679,768
Sean Quinn Senior Vice-President. Chief Legal Officer and Corporate Secretary	**2018**	**$430,000**	**$516,192**	**$344,036**	**$374,000**	**$38,900**	**–**	**$1,703,128**
	2017	$430,000	$515,970	$344,045	$268,000	$43,100	–	$1,601,115
	2016	$430,000	$515,970	$343,980	$179,000	$191,200	–	$1,660,150

1. *Base salary*

   Each amount reflects actual pay for the year. There were no salary increases in 2017 or 2018, except for Brian Reilly's salary changes which reflect a role change when he was promoted to his current position effective July 1, 2017 and a 2018 salary increase to move him closer to the market median for his role.

2. *Share-based awards*

   These amounts reflect the grant date value of the actual number of PSUs originally awarded, set out in the table below, using the closing price of Cameco shares on the TSX on the day before the grant. The number of PSUs that the named executives will actually earn can vary from 0 to 150% of the original number of PSUs granted, depending on performance (the board can pay up to 200% if performance is exceptional).

   Brian Reilly was granted share-based awards in 2017 when he joined our senior management at Canadian headquarters as vice-president, mining, projects and technology. He was formerly managing director for Cameco Australia Pty Ltd, a wholly-owned subsidiary.

	March 1, 2018	March 1, 2017	March 1, 2016
Tim Gitzel	192,850	148,500	133,300
Grant Isaac	72,900	56,100	50,350
Brian Reilly	52,600	8,820	–
Alice Wong	47,150	36,300	32,600
Sean Quinn	45,600	35,100	31,500
Grant price	$11.32	$14.70	$16.38

For purposes of financial statement disclosure, the PSUs were valued at $11.43 per unit for 2018, $14.72 per unit for 2017, and $16.35 per unit for 2016 using a Monte Carlo pricing model and the key assumptions set out in the table below. This model is considered the most appropriate way to value a plan with a relative market condition like total shareholder return. The total fair value of the PSUs is amortized into income over their three-year vesting period and the weighted average of the expected retirement dates of the named executives, whichever is lower. The non-market criteria relating to realized selling prices and production targets have been incorporated into the valuation at grant date by reviewing prior history and corporate budgets.

	Expected dividend ($)	Expected volatility (%)	Risk-free rate (%)	Expected life (years)	Expected forfeitures (%)
March 2018	–	37.1	1.9	3.0	8.8
March 2017	–	36.2	0.9	3.0	8.8
March 2016	–	30.8	0.5	3.0	4.6

The table below shows the difference between the grant date value for compensation purposes and the grant date fair value used for purposes of financial statement disclosure.

Grant date	Grant date value for compensation purposes ($)	Grant date fair value for financial statement disclosure ($)	Difference per unit ($)
March 1, 2018	11.32	11.43	(0.11)
March 1, 2017	14.70	14.72	(0.02)
March 1, 2016	16.38	16.35	0.03

3. *Option-based awards*

These amounts reflect the grant date value of the actual number of options originally granted using the Black-Scholes option-pricing model and key assumptions determined by the compensation consultants and listed below.

The table below shows the number of options granted to the named executives over the last three years and the corresponding grant date valuations.

	March 1, 2018	March 1, 2017	March 1, 2016
Tim Gitzel	472,550	434,500	404,300
Grant Isaac	178,550	164,200	152,800
Brian Reilly	128,850	25,790	25,310
Alice Wong	115,500	106,200	98,800
Sean Quinn	111,700	102,700	95,550
Grant date valuation (per option)	$3.08	$3.35	$3.60

The human resources and compensation committee reviewed estimates of the value of the options on the grant dates that were prepared by Mercer (March 2018, March 2017, and March 2016). It then recommended to the board the number of options to grant, which the board approved.

The compensation consultants used the Black-Scholes option-pricing model and the following key assumptions:

	Dividend yield (%)	Volatility (%)	Risk-free rate (%)	Expected life (years)	Exercise price ($)
March 2018	2.90	37.2	1.9	5.5	11.32
March 2017	2.90	33.0	1.1	5.5	14.70
March 2016	2.20	29.9	0.9	5.5	16.38

As this approach may not be identical to that used by other companies and is sensitive to the assumptions used, the figures may not be directly comparable across companies, however a consistent approach has been used for compensation valuation purposes. The expected life assumption is based on Mercer's calculation of the expected life of Cameco options and options issued by companies in the comparator group in effect at the time. They calculate the expected life by adding the actual term (eight years) to the vesting period (three years), and dividing in half.

For purposes of financial statement disclosure, options were valued at $3.48 (awarded in March 2018), $3.34 (awarded in March 2017), and $3.49 (awarded in March 2016) each on the date of the grant. For purposes of financial statement disclosure, the options were amortized over their three-year vesting period or the weighted average of the years to expected retirement of the named executives, whichever was lower. We used the Black-Scholes option-pricing model all three years and the following key assumptions:

	Dividend yield (%)	Volatility (%)	Risk-free rate (%)	Expected life (years)	Exercise price ($)
March 2018	0.71	34.8	2.0	4.8	11.32
March 2017	2.72	33.7	1.1	4.7	14.70
March 2016	2.44	31.8	0.7	4.7	16.38

These accounting value assumptions are different from the compensation value assumptions in the calculations above. The human resources and compensation committee uses the compensation valuation method and assumptions used in valuing compensation of companies in the comparator group to allow for a better comparison with market comparators.

The accounting value assumptions are based on our own internal research and past experience of how employees exercise their options. The table below shows the difference between the grant date value for compensation purposes and the accounting value assumptions used for purposes of financial statement disclosure.

Grant date	Grant date value for compensation purposes ($)	Grant date fair value for financial statement disclosure ($)	Difference per unit ($)
March 1, 2018	3.08	3.48	(0.40)
March 1, 2017	3.35	3.34	0.01
March 1, 2016	3.60	3.49	0.11

4. *Annual incentive plans*

These amounts were earned in the fiscal year shown and were paid in the following fiscal year.

5. *Pension value*

The amounts for the named executives include company contributions under the registered defined contribution pension plan as applicable, plus the present value of the projected pension earned in each year for service credited under the supplemental executive pension program. The amount for each named executive is the *compensatory change* reported in the table for *Executive pension value disclosure* on page 90.

6. *All other compensation*

This amount does not include perquisites and other personal benefits because they total less than $50,000 and less than 10% of the annual salary for any of the named executives. Perquisites and benefits are valued at the cost to Cameco and include commissions to buy shares with PSU payouts, premiums on incremental life insurance and long-term disability, a financial and tax planning allowance, an executive medical plan and a vehicle allowance.

Value of options exercised (supplemental information)

None of the named executives have exercised options in each of the last three years. Except those granted in 2017 and 2018, all options awarded to the executives since 2011 have an exercise price greater than the current price of Cameco shares on the TSX and therefore currently have no in-the-money value.

Incentive plan awards

The table below shows the total unexercised option and share awards granted to the named executives as of December 31, 2018.

		Option-based awards				Share-based awards		
Name	Grant date	Number of securities underlying unexercised options	Option exercise price	Option expiry date	Value of unexercised in-the-money options	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested[1]	Market or payout value of vested share-based awards not paid out or distributed)
Tim Gitzel	03/01/2011	75,000	$39.53	02/28/2019	–			
	07/01/2011	50,000	$25.44	06/30/2019	–			
	05/15/2012	268,600	$21.14	05/14/2020	–			
	03/01/2013	187,500	$22.00	02/28/2021	–			
	03/03/2014	155,200	$26.81	03/02/2022	–			
	03/02/2015	284,500	$19.30	03/01/2023	–			
	03/01/2016	404,300	$16.38	02/29/2024	–		–	$1,245,306
	03/01/2017	434,500	$14.70	02/28/2025	338,910	148,500	–	
	03/01/2018	472,550	$11.32	02/28/2026	1,965,808	193,811	–	
Total		**2,332,150**			**$2,304,718**	**342,311**	**$0**	**$1,245,306**
Grant Isaac	03/01/2011	25,000	$39.53	02/28/2019	–			
	05/15/2012	89,500	$21.14	05/14/2020	–			
	03/01/2013	62,500	$22.00	02/28/2021	–			
	03/03/2014	51,700	$26.81	03/02/2022	–			
	03/02/2015	85,200	$19.30	03/01/2023	–			
	03/01/2016	152,800	$16.38	02/29/2024	–		–	$470,379
	03/01/2017	164,200	$14.70	02/28/2025	128,076	56,100	–	
	03/01/2018	178,550	$11.32	02/28/2026	742,768	73,263	–	
Total		**809,450**			**$870,844**	**129,363**	**$0**	**$470,379**
Brian Reilly	03/01/2011	2,250	$39.53	02/28/2019	–			
	05/15/2012	8,875	$21.14	05/14/2020	–			
	03/01/2013	13,410	$22.00	02/28/2021	–			
	03/03/2014	11,095	$26.81	03/02/2022	–			
	03/02/2015	18,192	$19.30	03/01/2023	–			
	03/01/2016	25,310	$16.38	02/29/2024	–		–	$0
	03/01/2017	25,790	$14.70	02/28/2025	20,116	8,820	–	
Total	03/01/2018	128,850	$11.32	02/28/2026	536,016	52,862	–	
		233,772			**$556,132**	**61,682**	**$0**	**$0**
Alice Wong	03/01/2011	10,275	$39.53	02/28/2019	–			
	05/15/2012	59,700	$21.14	05/14/2020	–			
	03/01/2013	41,700	$22.00	02/28/2021	–			
	03/03/2014	34,500	$26.81	03/02/2022	–			
	03/02/2015	56,800	$19.30	03/01/2023	–			
	03/01/2016	98,800	$16.38	02/29/2024	–		–	$304,564
	03/01/2017	106,200	$14.70	02/28/2025	82,836	36,300	–	
	03/01/2018	115,500	$11.32	02/28/2026	480,480	47,385	–	
Total		**523,475**			**$563,316**	**83,685**	**$0**	**$304,564**
Sean Quinn	03/01/2011	12,900	$39.53	02/28/2019	–			
	05/15/2012	12,500	$21.14	05/14/2020	–			
	03/01/2013	16,040	$22.00	02/28/2021	–			
	03/03/2014	13,017	$26.81	03/02/2022	–			
	03/02/2015	54,600	$19.30	03/01/2023	–			
	03/01/2016	95,550	$16.38	02/29/2024	–		–	$294,289
	03/01/2017	102,700	$14.70	02/28/2025	80,106	35,100	–	
	03/01/2018	111,700	$11.32	02/28/2026	464,672	45,827	–	
Total		**419,007**			**$544,778**	**80,927**	**$0**	**$294,289**

1. The PSU awards are subject to performance conditions and valued at the minimum possible payout of zero.

The next table shows:

- *Option-based awards – value vested during the year* is the total value of the named executive's options when they vested during 2018.
- *Share-based awards – value vested during the year* are share-based awards that vested at the end of 2018 and were paid out in 2019.
- *Non-equity incentive plan compensation – value earned during the* year is the short-term incentive award earned in 2018 and paid in 2019.

Name	Option-based awards – value vested during the year[1]	Share-based awards – value vested during the year[2]	Non-equity incentive plan compensation – value earned during the year[3]
Tim Gitzel	$0	$1,245,306	$1,784,000
Grant Isaac	$0	$470,379	$598,000
Brian Reilly	$0	$0	$448,000
Alice Wong	$0	$304,564	$387,000
Sean Quinn	$0	$294,289	$374,000

1. *Option-based awards*

   The amounts reflect the pre-tax value that the executives would have realized if they had exercised their options that vested in 2018, on the date they vested. None of the options had an in-the-money value at the time of vesting.

2. *Share-based awards*

   The amounts are the values of the PSUs that were granted in 2016, vested at December 31, 2018 and paid out to the named executives on or about March 1, 2019 at $15.29 (the actual average purchase price of our common shares purchased on the TSX on behalf of the named executives on that date). The compensation value we previously disclosed for these PSUs was based on the target number of PSUs multiplied by the share value on grant date. The named executives realized 57.0% of the grant date value of the PSUs that were granted as part of their total compensation for 2016.

3. *Non-equity incentive plan compensation*

   The amounts are the STI payments for 2018 that were paid in 2019.

Equity compensation plan information

Securities authorized for issue under equity compensation plans

(authorized for issue from treasury under our compensation plans at the end of 2018)

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issue under equity compensation plans (excluding securities reflected in column a) (c)
Equity compensation plans approved by security holders	8,820,805	$19.75	6,326,104
Equity compensation plans not approved by security holders	–	–	–
Total	8,820,805	$19.75	6,326,104

Of the 8,820,805 options outstanding at December 31, 2018, 6,007,557 were exercisable and 2,813,248 were not. The total number of Cameco shares that can be issued under the option plan and other compensation arrangements must be less than 43,017,198 (10.9% of our total and outstanding common shares as of March 14, 2019).

The table below shows the burn rate for the last three years calculated in accordance with TSX listing rules based on the weighted-average number of shares outstanding in each year.

As of December 31	2018	2017	2016
Number of options issued	1,473,430	1,373,040	1,273,340
Weighted average number of shares outstanding	395,792,686	395,792,686	395,792,522
Burn rate	0.37%	0.35%	0.32%

The next two tables provide additional details about the stock option plan at the end of 2018 and as of March 14, 2019.

	As of December 31, 2018
Number of options available for issue under the option plan and other compensation arrangements	6,326,104
Number of options issued in 2018 under the option plan and other compensation arrangements	1,473,430

	As of December 31, 2018	As of March 14, 2019
Number (%) of our shares issued and outstanding to be issued when outstanding options under the option plan are exercised	8,820,805 (2.23%)	8,872,565 (2.24%)
Number (%) of our issued and outstanding shares still available for issue under the option plan	6,326,104 (1.60%)	6,274,344 (1.59%)
Total dilution rate	3.83%	3.83%

The table below shows other activity in the option plan since it was introduced in 1992:

Maximum initial share reserve (August 15, 1995)	31,460,418
Increase in the reserve (June 12, 2006)	11,556,780
Total shares issued under the plan (as at business open on March 14, 2019)	27,870,289
Total shares issued under the plan / total shares issued and outstanding (as at business open on March 14, 2019)	7.0%
Total shares issued and outstanding (as at business open on March 14, 2019)	395,792,732

Pension benefits

Defined contribution plan

All regular, full-time and part-time employees (including all of the named executives) participate in our registered defined contribution plan as of December 31, 2018.

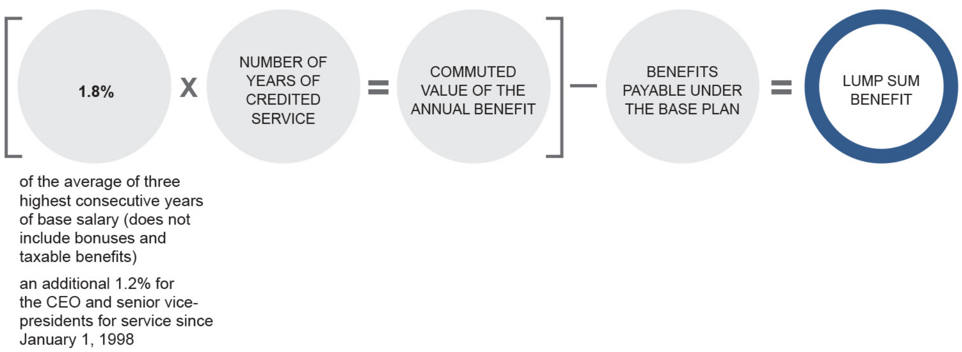
Under the *Income Tax Act* (Canada), the plan had a contribution limit of $26,500 in 2018, based on a salary of approximately $220,833.

Supplemental executive pension program

The supplemental executive pension program is aimed at attracting and retaining talented executives. It provides a lump sum retirement benefit that is consistent with the executive's salary and offsets the strict limits of registered pension plans under the *Income Tax Act* (Canada).

All Canadian-based management at the vice-president level and above participate in the program. It had 18 active members as at December 31, 2018, with one inactive member, 18 retirees and spouses of deceased retirees who were receiving a pension and one former member with a deferred entitlement. This includes certain officers of wholly-owned subsidiaries who were previously eligible to participate in the program.

The supplemental benefit is calculated as follows:



The supplemental benefit is based on actual years of service from the participant's date of hire up to the date of termination, or until the end of the notice period for termination without cause. It is calculated on base salary, and unlike other companies, does not include bonuses as part of the pensionable earnings. The supplemental program does not allow past service credits or any kind of accelerated service. Full benefits are paid at the normal retirement age of 65, but are also payable starting at 60 years of age if the person has 20 years of service.

Except for benefits for participants who are US taxpayers, the program is funded in part by trust assets and the remainder by a letter of credit held by the program's trustees. The liability is approximately $41,814,000 ($20,862,000 for the named executives) as of December 31, 2018. The face amount of the letter of credit will be determined each year based on the wind-up liabilities of the supplemental program (excluding benefits for US taxpayers), less any trust assets. The face amount of the letter of credit for 2018 was $37,200,000. The trustee would be able to draw on the letter of credit to pay benefits to members following specified trigger events. Benefits will continue to be paid from the trust assets until the fund is exhausted, at which time Cameco will begin paying benefits from corporate assets.

Early retirement

Under our registered defined contribution plan, members can transfer their account balance or begin receiving a benefit any time after termination of employment, so early retirement does not apply. All named executives are members of this plan.

Under our supplemental program, the named executives can take early retirement starting at age 55, however, the benefit formula will be reduced by 0.25% for each month before the defined age (at least age 60 with at least 20 years of continuous employment, or age 65, whichever is earlier).

Executive pension value disclosure

The table below shows the estimated pension service costs for the supplemental program and Cameco's contribution to the defined contribution plan as the compensatory change. It also shows the accrued pension obligations payable under our pension plans for each named executive.

Name	Number of years of credited service (#)	Annual benefits payable[1]		Pension obligation at start of year[2,3] ($)	Compensatory change[3] ($)	Non-compensatory change[4] ($)	Pension obligation at year end[5] ($)
		At year end	At age 65				
Tim Gitzel	11.98	368,300	623,600	5,564,400	318,300	(328,500)	5,554,200
Grant Isaac	9.47	156,200	453,200	2,318,000	186,300	(233,900)	2,270,400
Brian Reilly	8.00	85,400	169,700	1,102,200	509,400	(103,900)	1,507,700
Alice Wong	31.92	367,600	450,300	6,349,300	(1,200)	(257,000)	6,091,100
Sean Quinn	25.25	303,800	385,100	5,107,800	38,900	(211,500)	4,935,200

1. *Annual benefits payable*

   The value of the annual benefits accrued for all named executives include benefits under the registered defined contribution pension plan and the supplemental executive pension program. The defined contribution costs are also included in the service cost as described under *Compensatory change*. The annual benefits accrued do not take into account any early retirement reductions or vesting requirements.

   The amounts under *at age 65* are based on current compensation levels and assume accrued years of service to age 65 for each of the named executives. Under our supplemental executive pension program, the named executives are eligible to retire at age 55, which would reduce the pension benefits they are entitled to receive.

   Annual benefits payable at year end and *at age 65* are based on final average earnings as at December 31, 2018.

2. *Pension obligation at start of year* is based on December 31, 2017 accounting assumptions.

3. *Pension obligation at start of year and the compensatory change* are estimated totals that include our registered defined contribution pension plan and supplemental executive pension program. They are based on assumptions representing entitlements in employment agreements that may change over time. The methods we used to determine these estimates may not be exactly the same as methods other companies use, so the figures may not be directly comparable.

   We used the following key assumptions to estimate these benefit obligations:
   - 100% vesting
   - a retirement age of 63 or one year after the valuation date if 63 years of age or older. The assumed retirement age of 63 is management's best estimate for determining the accrued benefit obligation as at December 31, 2017, as reported in our financial statements
   - salary increases of 3.0% each year
   - a discount rate of 3.4% each year to determine the benefit obligation
   - a long-term rate of return on defined contribution plan assets of 6.0%
   - benefits are pre-tax.

   See note 25 to our audited 2018 financial statements (in our 2018 annual report and also on our website) for more information about our pension plans.

   Compensatory change is the value of the projected pension earned from January 1, 2018 to December 31, 2018 for our registered defined contribution pension plan and supplemental executive pension program.

4. *Non-compensatory change* includes changes such as changes in assumptions (other than those used to estimate the compensatory change), employee contributions and interest on the accrued obligation at the start of the year.

5. *Pension obligation at year end* is the value of the named executive's projected pension earned for service up to December 31, 2018 under our registered defined contribution pension plan and supplemental executive pension program. It is based on December 31, 2018 accounting assumptions and includes RRSP balances included in the base plan, if any.

   We used the following key assumptions to estimate these benefit obligations:
   - 100% vesting
   - a retirement age of 63 or one year after the valuation date if 63 years of age or older. The assumed retirement age of 63 is management's best estimate for determining the accrued benefit obligation as at December 31, 2018, as reported in our financial statements
   - salary increases of 3.0% each year
   - a discount rate of 3.9% each year to determine the benefit obligation
   - a long-term rate of return on defined contribution plan assets of 6.0%
   - benefits are pre-tax.

   The pension amounts for all of the named executives equal the value of their accumulated contributions under the registered defined contribution pension plan, supplemented by amounts based on final average earnings and service under the supplemental executive pension program (a defined benefit plan).

Loans to executives

As of March 14, 2019, we and our subsidiaries had no loans outstanding to our current or former named executives, except routine indebtedness as defined under Canadian securities laws.

Termination and change of control benefits

We have employment agreements with the named executives. They are for an indefinite period and provide for:

- a base salary
- participation in the short-term incentive plan
- participation in the long-term incentive plans (including PSUs and options)
- participation in the employee defined contribution pension plan and the supplemental executive pension program.

The agreements also include post-termination obligations requiring that the named executives do not:

- use or disclose specialized knowledge, contracts and connections obtained while at Cameco
- compete against us in any way for 12 months after leaving the organization
- solicit any of our customers, suppliers or employees or harm our relationships with any of them for 12 months (18 months for the CEO) after leaving the organization.

The summary on page 93 shows the incremental compensation that would be paid to the named executives if their employment had been terminated without cause on December 31, 2018, including following a change of control. If Tim Gitzel, Brian Reilly, Alice Wong or Sean Quinn had resigned, it would have been treated as retirement because they are eligible to retire. None of the named executives receive any incremental benefits if there is a change of control but no termination of employment.

CEO

Tim Gitzel's employment agreement provides for:

- a requirement to hold four times his base salary in Cameco shares and qualifying PSUs
- a severance period of two years if he is terminated without cause
- a $7,000 annual allowance for tax advice ($14,000 in his retirement year)
- a requirement to give a minimum notice of six months for resignation or retirement
- accelerated vesting of certain equity awards if the CEO's employment is terminated within 24 months following a change of control (see the summary below for details on compensation upon termination).

Other named executives

The employment agreements for the other named executives provide for:

- a requirement to hold two times their base salary in Cameco shares and qualifying PSUs by December 31 of the fifth year in their current positions
- a notice period of 18 months if they are terminated without cause
- a $5,000 annual allowance for tax advice ($10,000 in their retirement year)
- a requirement to give a minimum notice of three months for resignation or retirement
- accelerated vesting of certain equity awards if employment is terminated within 24 months following a change of control (see the summary below for details on compensation upon termination).

The table below is a summary of the compensation that would be paid to the named executives if the employment of any of them is terminated. We believe the following terms are fair, competitive with the market and based on industry practice.

Type of termination	Severance	STI bonus	Options	PSUs	RSUs	Benefits	Pension
Retirement[1]	• none	• none, unless the executive retires on or near the last day of the year	• three years to vest • must be exercised within three years or the original term, whichever is earlier	• performance is measured to the end of the year of retirement • awards are pro-rated to completed months of service	• all outstanding RSUs are cancelled	• post-retirement benefits continue until age 65 • once the executive turns 65, life insurance, health and dental benefits are reduced and are provided until death	• credited service no longer earned

Type of termination	Severance	STI bonus	Options	PSUs	RSUs	Benefits	Pension
Resignation[2]	• executive must give three months' notice, except for CEO who must give six months' notice • if we waive the notice, we must pay his or her base salary for the three or six months	• none	• vesting continues for 90 days • must be exercised within 90 days or the original term, whichever is earlier	• all outstanding PSUs are cancelled	• all outstanding RSUs are cancelled	• none	• credited service no longer earned
Termination without cause[3]	• lump sum equal to base salary and target bonus for the *notice period*	• none, unless committee exercises discretion, usually when executive has worked most of the year	• options continue to vest for the *notice period* • must be exercised within the *notice period* or by the original expiry date, whichever is earlier	• performance is measured to the end of the year of termination • awards are pro-rated to completed months of service	• a pro-rated number of awards vest and are valued at the volume-weighted average price of the 20 trading days prior to the termination date	• employer contributions for health, dental and life insurance benefits continue for the *notice period* or until executive obtains other employment, whichever is earlier	• coverage continues and credited service continues to be earned for the *notice period*
Termination without cause or for good reason within 24 months of a change of control[4]	• same as for termination without cause	• same as for termination without cause	• all options vest immediately and may be exercised until the original term or within 24 months, whichever is earlier	• all PSUs vest and are paid at target within 30 days	• all RSUs vest immediately and are payable in cash within 30 days	• same as for termination without cause	• same as for termination without cause
Termination with cause	• none	• all entitlement to the bonus is lost	• vesting continues for 30 days or the original term, whichever is earlier • must be exercised within 30 days	• all outstanding PSUs are cancelled	• all outstanding RSUs are cancelled	• none	• credited service no longer earned
Death	• none	• target bonus pro-rated to date of death	• three years to vest • must be exercised within three years or original term, whichever is earlier	• performance is measured to end of year of death • awards are pro-rated to the completed months of service as of date of death	• awards are pro-rated to date of death and valued at the volume-weighted average price of the 20 trading days prior to date of death	• life insurance is paid on death	• credited service no longer earned • value of vested pension benefit is paid to the beneficiary

1. *Retirement*

   At the discretion of the CEO and provided that the executive is at least 57 years old with at least 10 years of service when he or she retires, the executive may be eligible for post-retirement benefits including health, dental, accidental death and dismemberment, and life insurance. Also at the discretion of the CEO and provided the executive retires and is at least 57 years old with 10 years of service, a supplemental amount of $1,000 per month is paid until age 65.

2. *Resignation*

   Tim Gitzel, Brian Reilly, Alice Wong and Sean Quinn are eligible for retirement and therefore the compensation that is paid if a senior executive resigns does not apply.

3. *Termination without cause*

   The notice period for Tim Gitzel is two years or the period remaining until age 65, whichever is earlier. The notice period for the other named executives is 18 months or the period remaining until age 65, whichever is earlier.

4. *Termination without cause or good reason within 24 months of a change of control*

   According to the ENL Reorganization Act, no person, alone or together with associates may hold, beneficially own or control, directly or indirectly, more than 25% of Cameco's voting shares that can be cast to elect the directors. Because of the legislated restrictions on share ownership, there would have to be an act of federal parliament for anyone to hold more than 25% of our voting shares. For Tim Gitzel, change of control is defined as a transaction resulting in any person, corporation or entity holding 35% or more of our voting shares, transfer or lease of substantially all of the company's assets, dissolution or liquidation of the company, or the board deciding that a change of control has occurred. For the other named executives, change of control is the same except that an entity must hold 50% or more of our voting shares.

The table below shows the incremental values that would be paid to the named executives if any of them had been terminated without cause on December 31, 2018, including following a change of control. No incremental amounts are payable if a named executive retires, resigns, dies or is terminated with cause.

Cameco has legislated ownership restrictions under the ENL Reorganization Act. While a change of control is possible, it would require an act of parliament or one of the activities discussed in note 4 on page 92.

		Estimated incremental payment at December 31, 2018[1]	
Name	Compensation element	Termination without cause[2] ($)	Termination without cause with a change of control[3] ($)
Tim Gitzel	Cash	4,510,000	4,510,000
	Deferred compensation vesting	–	7,490,723
	Benefits	34,300	34,300
	Total incremental amount	4,544,300	12,035,023
	Annual pension increment	851,400	851,400
Grant Isaac	Cash	1,443,750	1,443,750
	Deferred compensation vesting	–	2,830,692
	Benefits	24,500	24,500
	Total incremental amount	1,468,250	4,298,942
	Annual pension increment	305,200	305,200
Brian Reilly	Cash	1,124,550	1,124,550
	Deferred compensation vesting	–	1,504,265
	Benefits	22,100	22,100
	Total incremental amount	1,146,650	2,650,915
	Annual pension increment	272,800	272,800
Alice Wong	Cash	1,067,280	1,067,280
	Deferred compensation vesting	–	1,831,148
	Benefits	23,300	23,300
	Total incremental amount	1,090,580	2,921,728
	Annual pension increment	234,000	234,000
Sean Quinn	Cash	1,032,000	1,032,000
	Deferred compensation vesting	–	1,770,826
	Benefits	23,200	23,200
	Total incremental amount	1,055,200	2,826,026
	Annual pension increment	237,000	237,000

1. The table below shows the commuted values for resignation (retirement in the case of Tim Gitzel, Brian Reilly, Alice Wong and Sean Quinn). We estimated these values using the Canadian Institute of Actuaries' Standard Practice for Determining Pension Commuted Values, and assumed:
   - 100% vesting
   - pension commencement at the executive's age or age 55, whichever is later
   - no salary increase after December 31, 2018
   - a discount rate of 3.2% each of the next 10 years and 3.4% each year thereafter for Canadian and US liabilities
   - benefits are pre-tax.

Commuted value	For retirement	On December 31, 2018
The commuted values are based on assumptions representing entitlements in the employment agreements, and these may change over time. These commuted values may be higher or lower than the present value of the benefit obligation and include entitlements from the defined contribution retirement program and the supplemental executive pension program. The methods we use may not be exactly the same as those used by other companies, so you may not be able to compare our figures directly with those of other companies.	Tim Gitzel	$5,792,400
	Brian Reilly	$1,329,400
	Alice Wong	$7,052,700
	Sean Quinn	$5,842,500
	For resignation	
	Grant Isaac	$1,861,700

2. *Termination without cause*
   Amounts shown as *Cash* represent entitlements to cash payments in lieu of notice. The cash payment for the CEO, Tim Gitzel, is equal to two times the sum of annual salary and target annual cash bonus. The cash payment for the other named executives is equal to one and one-half times the sum of annual salary and target annual cash bonus.

   There is no deferred compensation vesting. For all named executives, unvested PSU awards would continue to be eligible to vest and pay out over the normal schedule so there is no incremental benefit. Options would continue to be eligible to meet time-based vesting conditions over the severance period and expire at the end of the severance period.

   Amounts shown as *Benefits* are the present value of the continuing benefits for the notice period, based on historical costs and trends and calculated using a discount rate of 3.9% at December 31, 2018. Additionally, at the discretion of the CEO, Alice Wong and Sean Quinn may be eligible for post-retirement benefits, including health, dental, accidental death and dismemberment, and life insurance as they are at least 57 years of age and have more than 10 years of service, which incremental values would be up to $141,368 and $164,121, respectively.

   Amounts shown as *Annual Pension Increment* are equal to the value of benefits to be credited according to the notice period for each named executive and calculated using the December 31, 2018 accounting assumptions (same as the key assumptions set out in note 2 on page 90).

3. *Termination without cause with a change of control*

Amounts shown as *Cash* represent entitlement to cash payments in lieu of notice as indicated in note 2 above.

Amounts shown as *Deferred Compensation Vesting* include an amount for unvested PSUs and options. The incremental benefit for PSUs represent all outstanding PSUs that would vest immediately at target and be paid out in the first quarter of 2019. The incremental benefit for options represent unvested in-the-money options that would vest immediately. The calculation of the PSUs and options in this situation is based on a share price of $15.48, the year-end closing price of a Cameco common share on the TSX.

Amounts shown as *Benefits* are the present value of the continuing benefits for the notice period as indicated in note 2 above.

Amounts shown as *Annual Pension Increment* is equal to the value of benefits to be credited according to the notice period as indicated in note 2 above.

Appendix A

Interpretation

The following definitions are summaries only and are defined in their entirety in the *Eldorado Nuclear Limited Reorganization and Divestiture Act* (Canada) and Cameco's articles.

For the purposes of this circular:

a person is an "***associate***" of another person if:

i. one is a corporation of which the other is an officer or director;

ii. one is a corporation that is controlled by the other or by a group of persons of which the other is a member;

iii. one is a partnership of which the other is a partner;

iv. one is a trust of which the other is a trustee;

v. both are corporations controlled by the same person;

vi. both are members of a voting trust or parties to an arrangement that relates to voting securities of the Corporation; or

vii. both are at the same time associates, within the meaning of any of (i) to (vi) above, of the same person;

provided that:

viii. if a resident associated with a non-resident submits to the board of directors of the corporation a statutory declaration stating that no voting shares of the corporation are held, directly or indirectly, for a non-resident, that resident and non-resident are not associates of each other, provided the statutory declaration is not false;

ix. two corporations are not associates pursuant to (vii) above by reason only that each is an associate of the same person pursuant to (i) above;

x. if any person appears to the board to hold voting shares to which are attached not more than the lesser of four one-hundredths of 1% of the votes that may be cast to elect directors of the corporation and 10,000 such votes, that person is not an associate of any other person and no other person is an associate of that person in relation to those voting shares.

"*beneficial ownership*" includes ownership through a trustee, legal representative, agent or other intermediary.

"*control*" means control in any manner that results in control in fact, whether directly through ownership of securities or indirectly through a trust, an agreement, the ownership of any body corporate or otherwise.

"non-resident" means:

i. an individual, other than a Canadian citizen, who is not ordinarily resident in Canada;

ii. a corporation incorporated, formed or otherwise organized outside Canada;

iii. a foreign government or agency thereof;

iv. a corporation that is controlled by non-residents, directly or indirectly, as defined in any of (i) to (iii) above;

v. a trust:

   a. established by a non-resident as defined in any of (ii) to (iv) above, other than a trust for the administration of a pension fund for the benefit of individuals, a majority of whom are residents; or

   b. in which non-residents as defined in any of (i) to (iv) above have more than 50% of the beneficial interest; or

vi. a corporation that is controlled by a trust described in (v) above.

"*person*" includes an individual, corporation, government or agency thereof, trustee, executor, administrator, or other legal representative.

"*resident*" means an individual, corporation, government or agency thereof or trust that is not a non-resident.

Appendix B

Board mandate

PURPOSE

The purpose of the board of directors (board) is to supervise the management of the business and affairs of the corporation. The board of directors will discharge this responsibility by developing and determining policy by which the business and affairs of the corporation are to be managed and by overseeing the management of the corporation.

COMPOSITION

The board is elected by the shareholders at the annual meeting of the shareholders of the corporation. The board shall appoint the chair annually from among its non-executive independent members. As fixed by the articles of the corporation, the board shall consist of at least three and not more than fifteen members. A majority of the directors shall be resident Canadians.

A majority of the directors shall be independent pursuant to standards for independence adopted by the board. The standards for independence are available on our website.

MEETINGS

The board will schedule as many meetings as necessary to carry out its duties effectively. A two year rolling schedule of regular board and committee meetings will be provided to directors. Confirmation of the date, time and place of regular meetings will be sent to directors approximately three weeks in advance of regularly scheduled meetings.

A meeting of the board may be called by the chair, the chief executive officer or any two directors. The corporate secretary shall, upon the direction of any of the foregoing, arrange a meeting of the board. Special meetings may be called by providing 48 hours notice. Board meetings may be held at any time without notice if all of the directors have waived or are deemed to have waived notice of the meeting.

A majority of the members of the board shall constitute a quorum. No business may be transacted by the board except at a meeting of its members at which a quorum of the board is present. Each director is expected to attend all meetings of the board. A director who is unable to attend a board meeting in person may participate by telephone or teleconference.

At board meetings, each director is entitled to one vote and questions are decided by a majority of votes of the directors present. In case of an equality of votes, the chair of the meeting does not have a second or casting vote.

The corporate secretary acts as secretary to the board. In the absence of the corporate secretary, the board may appoint any other person to act as secretary.

The board may invite such officers and employees of the corporation as it may see fit from time to time to attend at meetings of the board and assist thereat in the discussion and consideration of any matter.

DUTIES AND RESPONSIBILITIES

1. The board of directors has specific responsibilities for the following, which do not, in any way, limit or comprehensively define its overall responsibility for the stewardship of the corporation:
    a. selection, appointment, evaluation and if necessary the termination of the chief executive officer;
    b. satisfying itself as to the integrity of the senior executives of the corporation and as to the culture of integrity throughout the corporation;
    c. succession planning, including appointing, counselling and monitoring the performance of executive officers;
    d. oversight of the human resources policies of the corporation and while taking into account the views and recommendations of the human resources and compensation committee, approval of the compensation of the chief executive officer and the other executive officers;
    e. strategic planning, approval of business plans and monitoring corporate performance against those plans;
    f. approval of periodic capital and operating plans and monitoring corporate performance against those plans;

g. oversight of the policies and processes to manage risks of the corporation, and oversight of management's mitigation of the material risks;

h. policies to require ethical behaviour of the corporation and its directors and employees, and compliance with laws and regulations;

i. oversight of the policies and processes for the implementation and integrity of the corporation's internal control and management information systems and its financial reporting;

j. approval of directors for appointment, nomination and election (as applicable), oversight of any potential conflicts of interest, and director independence determination;

k. assessment of the effectiveness of the board and its committees;

l. oversight of the program for orientation and education of new directors and ongoing education for all directors;

m. definition of the duties and the limits of authority of senior management, including approving a position statement for the chief executive officer;

n. policies for disclosure of corporate information to facilitate effective communications with shareholders, other stakeholders and the public;

o. health and safety and environmental policies and oversight of systems to enable compliance with these policies and all relevant laws and regulations;

p. oversight of the policies and processes for estimating and disclosing the corporation's mineral reserves;

q. corporate governance including the relationship of the board of directors to management and shareholders, oversight of the corporate governance principles applicable to the corporation, and taking reasonable steps to ensure the corporation has appropriate structures and procedures in place to permit the board of directors to effectively discharge its duties and responsibilities;

r. calling meetings of shareholders and submission to the shareholders of any question or matter requiring approval of the shareholders;

s. recommendation of the auditors to be appointed at shareholders' meetings, and filling a vacancy in the office of the auditor;

t. issuance of securities of the corporation;

u. declaration of dividends and establishment of the dividend policy for the corporation;

v. approval of the annual audited financial statements and related management discussion and analysis, and the interim unaudited financial statements and related interim management discussion and analysis, management proxy circulars, takeover bid circulars, directors' circulars, prospectuses, annual information forms and other disclosure documents required to be approved by the directors of a corporation under securities laws, regulations or rules of any applicable stock exchange;

w. adoption, amendment or repeal of bylaws of the corporation;

x. review and approval of material transactions not in the ordinary course of business; and

y. other corporate decisions required to be made by the board of directors, or as may be reserved by the board of directors, to be made by itself, from time to time and not otherwise delegated to a committee of the board of directors or to the management of the corporation.

2. Subject to the provisions of applicable law and the bylaws of the corporation, the responsibilities of the board of directors may be delegated, from time to time, to committees of the board of directors on such terms as the board of directors may consider appropriate.

ORGANIZATIONAL MATTERS

1. The procedures governing the board shall be those in Parts 6 and 7 of the General Bylaws of the corporation.
2. The board shall annually review and assess the adequacy of its mandate.
3. The board shall participate in an annual performance evaluation.
4. The board shall perform any other activities consistent with this mandate, the corporation's governing laws, and regulations of stock exchanges, as the board deems necessary or appropriate.

Appendix C

Stock option plan

The following kinds of changes must be approved by shareholders according to the terms of our stock option plan:

General

- any change to the number of common shares that can be issued under the plan, including increasing the fixed maximum number of common shares, or changing from a fixed maximum number to a fixed maximum percentage of common shares
- any change to extend the period after a trading blackout when options can be exercised
- any change to extend the expiry date of an option unless it would otherwise expire during a trading blackout period
- any change that requires shareholder approval under applicable law such as those described in the rules, regulations and policies of any stock exchange that we are listed on.

Exercise price

- any change that would cause the exercise price of an option to be lower than the fair market value of the common shares at the time the option is granted. This does not include standard adjustment provisions relating to dividends or stock splits, recapitalizations, consolidations or other fundamental corporate changes, or provisions for the treatment of options if there is a change of control or other similar transaction that affects the powers of the board to make certain changes to the stock option plan
- any other change that would cause the exercise or purchase price of an option to be lower (other than the standard adjustment provisions or if there is a change of control or other similar transaction as described in the item above). Cancelling an option and reissuing it at a lower price is considered a reduction in the exercise price.

Eligibility

- any change that increases the number of categories of people who are eligible to receive options, if it could increase the participation of insiders
- any change allowing options to be transferred other than by will or intestate succession.

Securities

- adding deferred or restricted share units or other share awards that would not involve an actual cash payment
- any change that allows adding a cashless exercise feature, unless it reduces the number of underlying shares in the stock option plan reserve.

Save time and forests

Enroll for e-delivery

When voting your shares online, sign up to receive Cameco investor information digitally.

Instructions are all online.

Cameco

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