



DEFINITION OF INDEPENDENT DIRECTOR AND RELATED DEFINITIONS

In these guidelines:

1. Following are the criteria for determining independence for purposes of membership on the board:
 - (a) “independent director” means a director who has no direct or indirect material relationship with the corporation. For this purpose, a material relationship means a relationship which could, in the view of the board, reasonably interfere with the exercise of a director’s independent judgment. Despite the foregoing, the following individuals are considered to have a material relationship with the corporation:
 - (i) an individual who is, or has been within the last three years, an employee or executive officer of the corporation;
 - (ii) an individual whose immediate family member is, or has been within the last three years, an executive officer of the corporation;
 - (iii) an individual who:
 - (A) is a partner of a firm that is the corporation’s internal or external auditor;
 - (B) is an employee of that firm; or
 - (C) was within the last three years a partner or employee of that firm and personally worked on the corporation’s audit within that time;
 - (iv) an individual whose immediate family member:
 - (A) is a partner of a firm that is the corporation’s internal or external auditor;
 - (B) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or
 - (C) was within the last three years a partner or employee of that firm and personally worked on the corporation’s audit within that time;
 - (v) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the corporation’s current executive officers serve or served at that same time on the entity’s compensation committee;

- (vi) an individual who received, or whose immediate family member received, more than \$120,000 (US) or \$75,000 (Cdn) in direct compensation from the corporation during any 12 month period within the last three years, other than as remuneration for acting in his or her capacity as a member of the board or any board committee, or as a part-time chair or vice-chair of the board or any board committee, and fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the corporation if the compensation is not contingent in any way on continued service (and, for greater certainty, “direct compensation” does not include compensation received by an immediate family member for service as an employee of the corporation unless that immediate family member is an executive officer of Cameco Corporation);
 - (vii) an individual who is a current employee, or whose immediate family member is a current executive officer, of an entity that has made payments to, or received payments from, the corporation for property or services in an amount which, in any of the last three fiscal years, exceeds the greater amount of \$1 million, or 2% of such other entity’s consolidated gross revenues; and
 - (viii) an individual who serves as an officer, director or trustee of a tax exempt organization, and the corporation’s discretionary charitable contributions to that organization exceed 1.5% of that organization’s total annual consolidated gross revenues within any of the last three fiscal years (providing that the corporation’s matching of employee charitable contributions will not be included in the amount of the corporation’s contributions for this purpose).
- (b) For purposes of section 1(a) all references to “the corporation” are deemed to include a subsidiary entity of the corporation and a parent of the corporation.
2. For purposes of this document, “immediate family member” means a person’s spouse, parent, child, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, and anyone (other than a domestic employee of a person or family member) who shares that person’s home.
3. For purposes of this document, a person or company is considered to be a subsidiary entity of another person or company if:
- (a) it is controlled by:
 - (i) that other; or
 - (ii) that other and one or more persons or companies each of which is controlled by that other; or

- (iii) two or more persons or companies, each of which is controlled by that other; or
 - (b) it is a subsidiary entity of a person or company that is the other's subsidiary entity.
- 4. For purposes of this document, "control" means the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise.
- 5. For purposes of this document, "person" means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative.
- 6. In determining independence for purposes of the audit and finance committee, in addition to satisfying the board independence criteria, directors who are members of the audit and finance committee will not be considered independent for the purpose of membership on the audit and finance committee if:
 - (a) the audit and finance committee member, or the member's spouse, minor child or stepchild, or a child or stepchild who shares the member's home, provides personal services to the corporation or its subsidiary for compensation (other than compensation for acting as a director);
 - (b) the audit and finance committee member is a partner, member or principal of a consulting, legal, accounting, investment banking or financial services firm which provides services to the corporation or its subsidiary for fees, regardless of whether the audit and finance committee member personally provided the services for which the fees are paid; or
 - (c) the audit and finance committee member is an affiliated entity of the corporation or any of its subsidiaries, where:
 - (i) a person or company is considered to be an affiliated entity of another person or company if:
 - (A) one of them controls or is controlled by the other or if both persons or companies are controlled by the same person or company, or
 - (B) the person is an individual who is:
 - (I) both a director and an employee of an affiliated entity; or
 - (II) an executive officer, general partner or managing member of an affiliated entity;
 - (ii) despite subparagraph (c)(i)(B) above, an individual will not be considered to be an affiliated entity of the corporation if the individual:

- (A) owns, directly or indirectly, no more than ten per cent of any class of voting securities of the corporation; and
 - (B) is not an executive officer of the corporation.
- 7. Notwithstanding the foregoing, on a case-by-case basis the board may determine that a director qualifies as an “independent director” for the purposes of section 1(a) despite having a relationship listed in that section, provided that the individual satisfies the Canadian director independence requirements set forth in Section 1.4 of National Instrument 52-110 of the Canadian Securities Administrators.
- 8. In determining independence for purposes of the human resources and compensation committee, in addition to satisfying the board independence criteria, the board of directors shall consider all factors specifically relevant in determining whether the director has a relationship to the corporation which is material to that director’s ability to be independent from management in connection with the duties of a human resources and compensation committee member. Such factors shall include, without limitation, the following:
 - (a) The source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the corporation. The board of directors shall also consider any compensation received by the director from any person or entity that would impair the director’s ability to make independent judgments about the corporation’s executive compensation; and
 - (b) Whether the director is “affiliated” with the corporation or a subsidiary or affiliate of the corporation. In considering any such affiliate relationship, the board of directors shall consider whether the affiliate relationship places the director under the direct or indirect control of the corporation or its senior management, or creates a direct relationship between the director and members of senior management in each case that would impair his or her ability to make independent judgments about the corporation’s executive compensation. Share ownership shall not adversely affect a director’s ability to be independent from management as a human resources and compensation committee member.