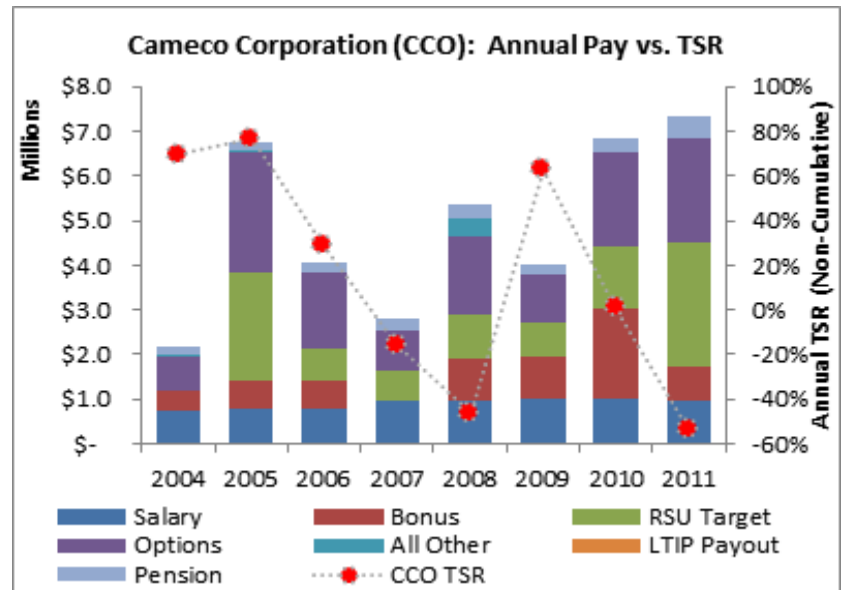
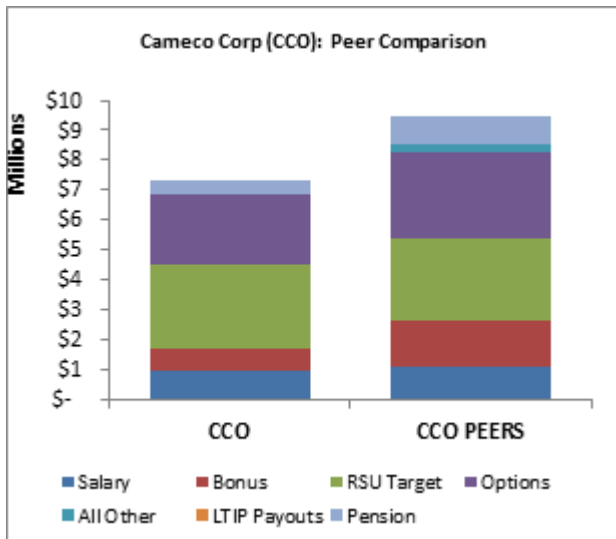


Cameco Corp (CCO): 2004-2011 Pay for Performance

PAY FOR PERFORMANCE SCORE				
1 YEAR = 0	4 YEAR = 0	6 YEAR = 0	8 YEAR = 8	TOTAL: 8/24

CCO appointed a new CEO, Tim Gitzel, on July 1, 2011, replacing former CEO Gerald Grandey. In 2011, each of CCO's peers reported a negative TSR with CCO's -53.5% ranking them 9th out of 11. **Despite this poor performance, both in absolute and relative terms, CCO's CEO pay increased year-over-year in 2011. This increase was driven by a significant grant of PSU and options to Mr. Gitzel as a retention incentive upon his appointment.** This unusual circumstance is partially responsible for CCO's low Pay for Performance Score.

CCO's operational performance was somewhat better than its market performance: ROE of 9.2% ranked 6th out of 11 and ROA of 5.8% ranked 3rd of 11. CCO's incentive pay is based on achievement of operational objectives, which may have further contributed to the misalignment between CEO pay and TSR.



COMPANY'S DISCLOSED PEER FIRMS	
TICKER	NAME
TSE:AEM	Agnico-Eagle Mines Limited
NYSE:ANR	Alpha Natural Resources Inc.
NYSE:ACI	Arch Coal Inc.
NYSE:CNX	CONSOL Energy Inc.
TSE:HSE	Husky Energy Inc.
TSE:LUN	Lundin Mining Corp.
TSE:MX	Methanex Corporation
NYSE:BTU	Peabody Energy Corp.
TSE:S	Sherritt International Corporation
TSE:POT	Potash Corporation of Saskatchewan Inc.

FY 2011 FINANCIAL PERFORMANCE RANKINGS						
#	PEER	TSR	PEER	ROE	PEER	ROA
1	TSE:HSE	-3.4%	TSE:POT	38.0%	TSE:POT	18.3%
2	TSE:POT	-17.8%	NYSE:CNX	17.5%	TSE:HSE	6.8%
3	TSE:MX	-20.9%	NYSE:BTU	17.4%	TSE:CCO	5.8%
4	NYSE:CNX	-24.0%	TSE:MX	13.9%	TSE:MX	5.7%
5	TSE:S	-42.2%	TSE:HSE	12.7%	NYSE:BTU	5.7%
6	TSE:LUN	-46.7%	TSE:CCO	9.2%	NYSE:CNX	5.3%
7	NYSE:BTU	-47.9%	TSE:LUN	5.4%	TSE:LUN	4.6%
8	TSE:AEM	-51.1%	NYSE:ACI	4.0%	NYSE:ACI	1.4%
9	TSE:CCO	-53.5%	NYSE:ANR	-9.1%	NYSE:ANR	-4.1%
10	NYSE:ACI	-57.8%	TSE:AEM	-17.2%	TSE:S	-5.9%
11	NYSE:ANR	-66.0%	TSE:S	-25.3%	TSE:AEM	-10.9%

CEO COMPENSATION RANKINGS AGAINST COMPANY'S DISCLOSED PEER FIRMS										
	PEER	TOTAL PAY	PEER	SALARY	PEER	BONUS	PEER	TOTAL CASH	PEER	TOTAL EQUITY
1	NYSE:CNX	\$16,344,597	TSE:HSE	\$1,459,625	NYSE:CNX	\$2,724,771	NYSE:CNX	\$3,812,747	NYSE:CNX	\$9,708,092
2	TSE:AEM	\$11,528,047	TSE:AEM	\$1,260,000	NYSE:BTU	\$2,596,102	TSE:HSE	\$3,759,625	TSE:AEM	\$8,666,400
3	NYSE:BTU	\$10,448,433	TSE:MX	\$1,220,250	TSE:HSE	\$2,300,000	NYSE:BTU	\$3,730,807	NYSE:BTU	\$6,474,164
4	TSE:POT	\$8,340,410	TSE:LUN	\$1,196,207	TSE:S	\$1,750,000	TSE:S	\$2,500,000	TSE:CCO	\$5,123,050
5	TSE:CCO	\$7,351,250	TSE:POT	\$1,169,080	TSE:MX	\$1,250,000	TSE:MX	\$2,470,250	NYSE:ANR	\$4,836,368
6	TSE:HSE	\$7,050,398	NYSE:BTU	\$1,134,705	TSE:POT	\$1,226,446	TSE:AEM	\$2,457,000	TSE:POT	\$4,497,328
7	NYSE:ACI	\$6,887,707	NYSE:CNX	\$1,087,976	TSE:AEM	\$1,197,000	TSE:POT	\$2,395,526	NYSE:ACI	\$3,773,487
8	NYSE:ANR	\$6,647,865	NYSE:ANR	\$1,018,360	NYSE:ACI	\$1,158,898	NYSE:ACI	\$2,123,241	TSE:HSE	\$3,027,750
9	TSE:MX	\$6,045,270	TSE:CCO	\$970,000	TSE:CCO	\$762,000	TSE:CCO	\$1,732,000	TSE:MX	\$2,949,510
10	TSE:S	\$3,995,117	NYSE:ACI	\$964,342	NYSE:ANR	\$522,229	TSE:LUN	\$1,678,294	TSE:LUN	\$625,000
11	TSE:LUN	\$2,303,294	TSE:S	\$750,000	TSE:LUN	\$482,087	NYSE:ANR	\$1,540,589	TSE:S	\$341,429

PAY FOR PERFORMANCE SCORING

For 2012, the Clarkson Centre for Board Effectiveness (CCBE), prepared a Pay for Performance report for each firm currently listed on the TSX 60 Index that has at least 8 years of historical compensation or share price data available. The CCBE's Performance Score measures how closely CEO pay and TSR are aligned over four different time horizons. Compensation data is gathered from the firm's public filings, and valued at the time of grant. Options are valued using the binomial tree fair value method, and PSUs are valued at the grant date value of the target payout. TSR is calculated using a 30-day average start and end date share price, and assumes the reinvestment of dividends.

CCBE collected pay and performance data for up to ten peer companies for each TSX 60 constituent. Peer companies were selected from each TSX 60 constituent's performance benchmarking peer group, as disclosed in its most recent Management Information Circular. If a performance peer group was not disclosed, the CCBE collected information on the disclosed constituents of the total pay benchmarking peer group. If a peer group had more than 10 constituents, we randomly selected ten from among the disclosed list.

Our Pay for Performance Score takes into account alignment between change in CEO pay and TSR in 1-, 4-, 6- and 8-year observations. CEO pay change is 'smoothed' to account for outlying years. For example, in our 8-year observation we calculate CEO pay change as the percent change of the sum of total CEO pay from 2004-2007 against the sum of total CEO pay from 2008-2011. This helps to normalize our longer observations for unusual events like CEO turnover and large one-time payouts. The Pay for Performance Score gives significantly more weight to longer-term observations than shorter ones.

1-YEAR SCORE	4-YEAR SCORE	6-YEAR SCORE	8-YEAR SCORE
A = 3	A = 4	A = 7	A = 10
B = 3	B = 3	B = 5	B = 8
C = 2	C = 2	C = 3	C = 5
D = 1	D = 1	D = 1	D = 3
E = 0	E = 0	E = 0	E = 0

