

LIGHTBRIDGE Corp  
Form 10-K/A  
March 30, 2018

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 10-K/A**

(Amendment No. 1)

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2017**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: **001-34487**

**LIGHTBRIDGE**  
**CORPORATION**

(Exact name of registrant as  
specified in its charter)

**Nevada**  
(State or other jurisdiction of incorporation  
or organization)

**91-1975651**  
(I.R.S. Employer Identification No.)

**11710 Plaza America Drive, Suite 2000 Reston, VA 20190**

(Address of principal executive offices) (Zip Code)

**(571) 730-1200**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

**Title of each class**

Common Stock, \$0.001 par value

**Name of each exchange on which registered**

The Nasdaq Capital Market

---

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was

Edgar Filing: LIGHTBRIDGE Corp - Form 10-K/A

required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No "

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	..	Accelerated Filer	..
Non-Accelerated Filer	..	Smaller reporting company	x
(Do not check if a smaller reporting company)		Emerging growth company	..

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. "

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes " No x

At June 30, 2017, the aggregate market value of shares held by non-affiliates of the registrant (based upon the closing sale price of such shares on the Nasdaq Capital Market on June 30, 2017) was \$16,817,767

At March 8, 2018 there were 22,829,365 shares of the registrant's common stock issued and outstanding.



TABLE OF CONTENTS

	<b>Page</b>
<b><u>EXPLANATORY NOTE</u></b>	<b>3</b>
<b><u>PART III</u></b>	<b>3</b>
<u>Item 10. Directors, Executive Officers and Corporate Governance</u>	3
<u>Item 11. Executive Compensation</u>	12
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	22
<u>Item 13. Certain Relationships and Related Transactions</u>	24
<u>Item 14. Principal Accountant Fees and Services</u>	24
<b><u>PART IV</u></b>	<b>26</b>
<u>Item 15. Exhibits and Financial Statement Schedules</u>	26

Table of Contents

**EXPLANATORY NOTE**

This Amendment No. 1 on Form 10-K/A (this “Amendment”) amends the Annual Report on Form 10-K of Lightbridge Corporation (the “Company”) for the year ended December 31, 2017, as filed with the Securities and Exchange Commission on March 14, 2018 (the “Original Form 10-K”). This Amendment is being filed solely to amend and restate the disclosure in Part III of the Original Form 10-K to conform to the disclosure set forth in the Company’s definitive proxy statement filed on March 29, 2018. In the definitive proxy statement, the Company provided certain additional disclosure concerning executive and director compensation, related party transactions, and director biographies compared to the disclosure set forth in the Original 10-K, along with other immaterial changes, and the Company is amending and restating the disclosure in Part III of the Original Form 10-K to reflect such additional disclosure. In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, new certifications by the Company’s principal executive officer and principal financial officer are filed as exhibits to this Amendment.

No other parts or disclosures from the Original Form 10-K are included in this Amendment other than Part III and Part IV, Item 15 below, and except as required to reflect the matters set forth in such included disclosure, this Amendment does not reflect events or developments that have occurred after the date of the Original Form 10-K and does not modify or update disclosures presented in the Original Form 10-K in any way. Among other things, forward-looking statements made in the Original Form 10-K have not been revised to reflect events, results, or developments that have occurred or facts that have become known to us after the date of the Original Form 10-K (other than as discussed above), and such forward-looking statements should be read in their historical context. Accordingly, this Amendment should be read in conjunction with our filings made with the Securities and Exchange Commission subsequent to the filing of the Original Form 10-K.

**PART III**

**ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT**

**Directors and Executive Officers**

Set forth below are the names of our current directors, executive officers and significant employees, their ages, all positions and offices that they hold with us, the period during which they have served as such, and their business experience during at least the last five years.

Edgar Filing: LIGHTBRIDGE Corp - Form 10-K/A

<b>Name</b>	<b>Age</b>	<b>Position with Lightbridge</b>	<b>Director Since</b>
Seth Grae	55	President, CEO and Director	April 2006
Thomas Graham, Jr.	84	Chairman and Corporate Secretary	April 2006
Xingping Hou	57	Co-Chairman	August 2016
Victor E. Alessi	78	Director	August 2006
Kathleen Kennedy Townsend	66	Director	October 2013
Daniel B. Magraw	71	Director	October 2006
Linda Zwobota	67	Chief Financial Officer	—
Andrey Mushakov	41	Executive Vice President – International Nuclear Operations	—

Table of Contents

<b>Name</b>	<b>Position with Lightbridge and Principal Occupations</b>
<b>Seth Grae</b>	<p>Mr. Grae was named the Chief Executive Officer and President of the Company on March 17, 2006 and, effective April 2, 2006, became a director of the Company. Seth Grae has led the development and implementation of Lightbridge's business efforts to develop and deploy advanced nuclear fuel technologies and to provide comprehensive advisory services based on safety, non-proliferation, and transparency for emerging commercial nuclear power programs.</p>

Mr. Grae is a member of the Civil Nuclear Trade Advisory Committee to the U.S. Secretary of Commerce, the Nuclear Energy Institute's Suppliers Advisory Committee, and the Dean's Advisory Council at the Washington College of Law at American University. Mr. Grae has served as Vice Chair of the Governing Board of the Bulletin of the Atomic Scientists, as Co-Chair of the American Bar Association's Arms Control and Disarmament Committee, and as a member of the Board of Directors of the Lawyers Alliance for World Security.

<b>Thomas Graham, Jr.</b>	<p>Ambassador Graham became a director of the Company on April 2, 2006, and chairman of the Board on April 4, 2006. Ambassador Graham served as a member of the board of directors of Thorium Power, Inc., from 1997 until the merger with the Company. He is one of the world's leading experts on nuclear non-proliferation and has served as a senior U.S. diplomat involved in the negotiation of every major international arms control and non-proliferation agreement involving the United States during the period from 1970 to 1997, including the Strategic Arms Limitations Talks (the Interim Agreement on Strategic Offensive Arms, the Anti-Ballistic Missile Treaty, and the Salt II Treaty), the Strategic Arms Reduction Talks (the Start I Treaty and the Start II Treaty), the Intermediate Nuclear Forces Treaty, the Nuclear Non-Proliferation Treaty Extension, the Conventional Armed Forces in Europe Treaty, and the Comprehensive Test Ban Treaty. In 1993, Ambassador Graham served as the Acting Director of the U.S. Arms Control and Disarmament Agency (ACDA), and for seven months in 1994 served as the Acting Deputy Director. From 1994 through 1997, he served as the Special Representative of the President of the United States for Arms Control, Non-Proliferation and Disarmament with the rank of Ambassador, and in this capacity successfully led U.S. government efforts to achieve the permanent extension of the Nuclear Non-Proliferation Treaty in 1995. He also served for 15 years as the general counsel of ACDA.</p>
---------------------------	---

Ambassador Graham worked on the negotiation of the Chemical Weapons Convention and the Biological Weapons Convention. He drafted the implementing legislation for the Biological Weapons Convention and managed the Senate approval of the ratification of the Geneva Protocol banning the use in war of chemical and biological weapons. Mr. Graham served as a member of the International Advisory Board for the nuclear program of the United Arab Emirates from 2009 through its termination in October 2017. He is also Chairman of the Board of CanAlaska Uranium Ltd. of Vancouver, Canada (TSX: CVV), a uranium exploration company.



Ambassador Graham received an A.B. in 1955 from Princeton University and a J.D. in 1961 from Harvard Law School. He is a member of the Kentucky, the District of Columbia and the New York Bar Associations and is a member of the Council on Foreign Relations. He chaired the Committee on Arms Control and Disarmament of the American Bar Association from 1986-1994. Ambassador Graham received the Trainor Award for Distinction in Diplomacy from Georgetown University in 1995 and the World Order Under Law award from the International Law Section of the American Bar Association in 2007. He has taught at a number of universities as an adjunct professor including the University of Virginia Law School, Georgetown University Law Center, Georgetown University School of Foreign Service, the University of Washington, the University of Tennessee, Stanford University, and Oregon State University. He has published numerous non-fiction books, including *The Alternate Route: Nuclear Weapon Free Zones* and *Seeing the Light, the Case for Nuclear Power in the 21st Century* in 2017 and *Unending Crisis* in 2012, as well as a historical novel, *Sapphire, A Tale of the Cold War* in 2014.

**Xingping Hou** Mr. Xingping Hou joined the Company's Board of Directors as co-Chairman on August 2, 2016. Mr. Hou is the founder and has served as Chairman of the Board, Chief Executive Officer and President of General Agriculture Corporation, one of China's largest orange producers, since July 2012. Mr. Hou has also served as the Chairman of the Board for each of General Red Industry Group Co., Ltd. and Shaanxi General Red Agricultural Development Co., Ltd. since May 2010 and October 2010, respectively. Mr. Hou has also served as a director of Hua Mei Investments Limited and Han Glory International Limited since April 2011. Mr. Hou brings international expertise and experience to the Board.

**Victor E. Alessi** Dr. Alessi became a director of the Company on August 23, 2006. Dr. Alessi, who holds a Ph.D. in nuclear physics, is President Emeritus of the United States Industry Coalition ("USIC"), an organization dedicated to facilitating the commercialization of technologies of the New Independent States ("NIS") of the former Soviet Union through cooperation with its members. He has held such position since August 1, 2006. Prior to becoming President Emeritus, Dr. Alessi held the positions of CEO and President of USIC since 1999. Previously, he was President of DynMeridian, a subsidiary of DynCorp, specializing in arms control, non-proliferation, and international security affairs. Before joining DynMeridian in early 1996, Dr. Alessi was the Executive Assistant to the Director, U.S. Arms Control and Disarmament Agency ("ACDA"). At ACDA he resolved inter-bureau disputes and advised the director on all arms control and non-proliferation issues. Dr. Alessi served as Director of the Office of Arms Control and Non-proliferation in the Department of Energy ("DOE") prior to his work at ACDA, overseeing all DOE arms control and non-proliferation activities. As a senior DOE representative, Dr. Alessi participated in U.S. efforts that led to successful conclusion of the Intermediate Nuclear Forces (INF), Conventional Forces in Europe, Threshold Test Ban, Peaceful Nuclear Explosions, Open Skies, Strategic Arms Reductions Talks Treaties and the Chemical Weapons Convention. In this role, he was instrumental in implementing the U.S. unilateral nuclear initiative in 1991 and was a member of the U.S. delegation discussing nuclear disarmament with Russia and other states of the former Soviet Union. He was in charge of DOE's support to the U.N. Special Commission on Iraq, to the Nunn-Lugar Initiative, and represented DOE in discussions on the Comprehensive Test Ban ("CTB") with the other nuclear weapons states before the CTB negotiations began in Geneva in 1994. Dr. Alessi served as the U.S. board member to the International Science and Technology Center in Moscow since its founding in 1992 until 2011, and as a member of the board of directors of Valley Forge Composite Technologies, Inc. from 2008 until 2013. He is also the former U.S. board member to the Science and Technology Center in Ukraine. Dr. Alessi is a 1963 graduate of Fordham University, where he also earned a licentiate in Philosophy (Ph.L.) in 1964. He studied nuclear physics at Georgetown

University, receiving his M.S. in 1968 and Ph.D. in 1969.

Table of Contents

<b>Name</b>	<b>Position with Lightbridge and Principal Occupations</b>
<b>Kathleen Kennedy Townsend</b>	Ms. Townsend became a director of the Company in October 2013. Ms. Townsend has a long history of accomplishment in the public arena, and for the last decade in the private sector. Since 2007, she served as a managing director and currently as a senior advisor at the Rock Creek Group, an investment management company. Ms. Townsend has also served as director of retirement security at the Economic Policy Institute since November 2017. In addition, Ms. Townsend serves on the board of directors for the Pension Rights Center (a nonprofit consumer advocacy organization), NewTower Trust Company (a non-depository trust company that provides fiduciary and trustee services to the Multi-Employer Property Trust (MEPT), an open-end commingled real estate equity fund), and CanAlaska Uranium Ltd. (TSX: CVV) (a Canadian uranium exploration company).

As the State of Maryland's first woman Lt. Governor, Ms. Townsend was in charge of a multimillion dollar budget and had oversight of major cabinet departments, including Economic Development and Transportation, State Police, Public Safety and Correction and Juvenile Justice. Prior to being elected Lt. Governor, Ms. Townsend served as Deputy Assistant Attorney General of the United States. In that role, she led the planning to put 100,000 police officers into the community and she ignited the Police Corps, a program to give college scholarships to young people who pledge to work as police officers for four years after graduation.

Prior to serving at the Department of Justice, Ms. Townsend spent seven years as the founder and director of the Maryland Student Service Alliance where she led the fight to make Maryland the first-and only-state to make service a graduation requirement.

She has been appointed Special Advisor at the Department of State, and a Research Professor at the McCourt School of Public Policy at Georgetown University, where she focuses on retirement security. She is a Woodrow Wilson Fellow. She taught foreign policy at the University of Pennsylvania and the University of Maryland, Baltimore County and has been a visiting Fellow at the Kennedy School of Government at Harvard. In the mid-1980s, she founded the Robert F. Kennedy Human Rights Award.

She chairs the Center for Popular Democracy which builds the strength and capacity of democratic organizations. Ms. Townsend is also a member of the Council of Foreign Relations and the Inter-American Dialogue. For the last eight years she has been Vice-Chair of the Future of Science conference held in Venice Italy and for the last four years Vice-Chair of Science for Peace held in Milan.

Edgar Filing: LIGHTBRIDGE Corp - Form 10-K/A

Ms. Townsend has chaired the Institute of Human Virology founded by Dr. Robert Gallo, which treats over 700,000 patients in Africa as part of the PEPFAR program, has chaired the Robert Kennedy Memorial and has been on the Board of Directors of the John F Kennedy Library Foundation. Previously, she served on a number of boards including the Export-Import Bank, Johns Hopkins School of Advanced International Studies (SAIS), the Wilderness Society, the Points of Light Foundation, the National Catholic Reporter and the Institute for Women's Policy Research, and the Baltimore Urban League.

An honors graduate of Harvard University, Ms. Townsend received her law degree from the University of New Mexico where she was a member of the law review. She has received fourteen honorary degrees. A member of the bar in Maryland, Connecticut and Massachusetts, she is also a certified broker-dealer.

Ms. Townsend's book, *Failing America's Faithful: How Today's Churches Mixed God with Politics and Lost Their Way* was published by Warner Books in March 2007.

**Daniel B. Magraw**

Mr. Magraw became a director of the Company on October 23, 2006. Mr. Magraw is a leading expert on international environmental law and policy, as well as on international human rights. Mr. Magraw is a Senior Fellow and Professorial Lecturer at the Foreign Policy Institute at Johns Hopkins School of Advanced International Studies (SAIS) and President Emeritus of the Center for International Environmental Law (CIEL). Mr. Magraw was the President and CEO of CIEL from 2002- 2010. From 1992-2001, he was Director of the International Environmental Law Office of the U.S. Environmental Protection Agency, during which time he also served at the White House (2000-2001) and as Acting Assistant Administrator of the EPA's Office of International Activities. He was a member of the Trade and Environment Policy Advisory Committee to the Office of the U.S. Trade Representative (TEPAC) from 2002-2010, chairs the American Bar Association (ABA) Section of International Law's Task Force on Carta de Foresta, serves as a consultant to the United Nations, was a member of the U.S. Department of State Study Group on International Business Transactions, and was Chair of the 15,000-member Section of International Law and Practice of the ABA. He practiced international law, constitutional law, and bankruptcy law at Covington & Burling in Washington, DC from 1978-1983. Mr. Magraw is a widely-published author in the field of international law and has received many awards. He graduated from Harvard University with High Honors in Economics, where he was student body president, and from the University of California, Berkeley Law School, where he was Editor-in-Chief of the Law Review. While working as an economist for the Peace Corps in India from 1968 to 1972, Mr. Magraw helped develop and managed the largest and most successful cooperative of its type (wholesale, retail, furniture manufacturing and food processing) in India. In 1996, Mr. Magraw became a member of the board of directors of Thorium Power, Inc., which is now a wholly-owned subsidiary of the Company.

**Linda Zwobota**

Ms. Zwobota was appointed the Chief Financial Officer of the Company on March 25, 2015, after having served as interim Chief Financial Officer since November 2014. Prior to that appointment, Ms. Zwobota served as the Company's Controller, a position she held since October 2009, when she joined the Company.

From May 2000 until October 2009, Ms. Zwobota held the position of Associate at Resources Global Professionals (“RGP”), a consulting firm, where she provided RGP clients with a broad range of services, including accounting, regulatory reporting, internal audit, and IT system support. Prior to joining RGP, from 1999 to May 2000, Ms. Zwobota held the position of Senior Internal Auditor for BAA, USA, Inc., a subsidiary of BAA plc, a developer and manager of retail, food and beverage concessions at airports. Ms. Zwobota performed high-level, risk-based audits of BAA plc’s investments in North America, including World Duty Free Americas, World Duty Free Inflight, airport and retail operations, and development activities. Prior to joining BAA, USA, Inc., from 1997 through 1999, Ms. Zwobota was the Revenue Accounting Manager for World Duty Free, another BAA plc company with global operations, sales of \$43 million denominated in 54 different currencies worldwide, servicing 23 airline concessions, at 31 stations in 18 countries. From 1992-1997, Ms. Zwobota worked at a subsidiary of Wartsila, a global power solutions company, as a Senior Accountant and as the Assistant Treasurer. Ms. Zwobota earned a Bachelor’s Degree from the University of Maryland, College Park. She has been a certified public accountant since November 1991 and a Certified Internal Auditor (CIA®) since May 1999.

Table of Contents

<b>Name</b>	<b>Position with Lightbridge and Principal Occupations</b>
<b>Andrey Mushakov</b>	Dr. Mushakov oversees the nuclear fuel technology division of Lightbridge Corporation and is an expert in cost modeling and the economics of the nuclear fuel cycle. He has been with Lightbridge since 2000, and in 2006 he was named executive vice president for international nuclear operations.

In 2009, Dr. Mushakov led Lightbridge's efforts to establish its Russian Branch Office in Moscow and oversaw its successful operation from 2009 to 2014 when Lightbridge made a decision to move its critical path fuel development and demonstration activities out of Russia due to increased political risk. In 2014-2015, Dr. Mushakov spearheaded an effort within Lightbridge to establish cooperation agreements with Canadian Nuclear Laboratories in Canada, BWXT in the United States, and the Institute for Energy Technology in Norway.

From 2016 through January 2018, Dr. Mushakov led a successful negotiating team effort to establish Lightbridge's first commercial arrangement with a major nuclear fuel vendor via formation of a 50-50 US-based joint venture company, Enfission, LLC, between Lightbridge and Framatome, Inc.

Dr. Mushakov has been a featured speaker at international conferences and panels on nuclear fuel technology, including the Wharton Energy Conference and the World Nuclear Fuel Cycle Conference.

He earned a Ph.D. in economics from St. Petersburg State University of Economics and Finance, an M.S. degree in management from Hult International Business School, and a B.S. degree in banking and finance from the Financial University under the Government of the Russian Federation.

There are no agreements or understandings for any of our executive officers or director to resign at the request of another person and no officer or director is acting on behalf of nor will any of them act at the direction of any other person.

Directors are elected until their successors are duly elected and qualified.

**Family Relationships**

There are no family relationships among our directors or officers.

### **Involvement in Certain Legal Proceedings**

To the best of our knowledge, there is no involvement in legal proceedings during the past ten years that is required to be disclosed pursuant to Regulation S-K 401(f).

### **Promoters and Certain Control Persons**

We did not have any promoters at any time during the past five fiscal years.

### **Director Qualifications**

Directors are responsible for overseeing the Company's business consistent with their fiduciary duty to stockholders. This significant responsibility requires highly-skilled individuals with various qualities, attributes and professional experience. The Board believes that there are general requirements for service on the Board that are applicable to all directors and that there are other skills and experience that should be represented on the Board as a whole but not necessarily by each director. The Board and the Governance and Nominating Committee of the Board consider the qualifications of directors and director candidates individually and in the broader context of the Board's overall composition and the Company's current and future needs.

#### ***Qualifications for All Directors***

In its assessment of each potential candidate, including those recommended by stockholders, the Governance and Nominating Committee considers the nominee's judgment, integrity, experience, independence, understanding of the Company's business or other related industries and such other factors the Governance and Nominating Committee determines are pertinent in light of the current needs of the Board. The Governance and Nominating Committee also takes into account the ability of a director to devote the time and effort necessary to fulfill his or her responsibilities to the Company.

The Board and the Governance and Nominating Committee require that each director be a recognized person of high integrity with a proven record of success in his or her field. Each director must demonstrate innovative thinking, familiarity with and respect for corporate governance requirements and practices, an appreciation of multiple cultures and a commitment to sustainability and to dealing responsibly with social issues. In addition to the qualifications required of all directors, the Board assesses intangible qualities including the individual's ability to ask difficult questions and, simultaneously, to work collegially.

The Board does not have a specific diversity policy, but considers diversity of race, ethnicity, gender, age, cultural background and professional experiences in evaluating candidates for Board membership. Diversity is important because a variety of points of view contribute to a more effective decision-making process.



Table of Contents

***Qualifications, Attributes, Skills and Experience to be Represented on the Board as a Whole***

The Board has identified particular qualifications, attributes, skills and experience that are important to be represented on the Board as a whole, in light of the Company's current needs and business priorities. The Company's services are performed in various countries around the world and significant areas of future growth are located outside of the United States. The Company's business is truly global and multicultural. Therefore, the Board believes that international experience or specific knowledge of key geographic growth areas and diversity of professional experiences should be represented on the Board. The Company's business is multifaceted and involves complex financial transactions in various countries. Therefore, the Board believes that the Board should include some directors with a high level of financial literacy and some directors who possess relevant business experience as a chief executive officer or president. Our business involves complex technologies in a highly specialized industry. Therefore, the Board believes that extensive knowledge of the Company's business and the nuclear industry should be represented on the Board. The Company's business also requires compliance with a variety of regulatory requirements across a number of countries and relationships with various governmental entities. Therefore, the Board believes that governmental, political or diplomatic expertise should be represented on the Board.

***Summary of Qualifications of Directors***

Set forth below are the specific qualifications, attributes, skills and experiences of our directors.

Seth Grae

Mr. Grae's service as the Company's President and Chief Executive Officer and his extensive experience in the nuclear industry provide valuable insight to the Board about the Company and the nuclear industry more generally.

Thomas Graham, Jr.

Mr. Graham's service as Chairman of the Board of the Company, his experience as chairman of the board of several other companies, his extensive experience and knowledge related to nuclear non-proliferation, his knowledge of international law, and his experience as a senior US diplomat provide valuable insight to the Board about the Company, and about nuclear policy and international law more generally.

Xingping Hou

Mr. Hou's significant experience in complex international enterprises provides valuable insight to the Board about international operations and financial and strategic planning.

Victor E. Alessi

Dr. Alessi's service as a director of the Company since August 2006, his expertise in nuclear physics, his experience as the president of a large organization, his technological experience, his work on nuclear non-proliferation and policy, his experience with government entities both within the US and internationally, and his experience working as a senior DOE official provide valuable insight to the Board about the Company, and about nuclear policy, organizational strategy and compliance more generally.

Table of Contents

Kathleen Kennedy Townsend

Ms. Townsend brings a long history of accomplishments in the public and private sectors that demonstrate her high level of financial literacy, her experience as a director, her risk oversight and management expertise, as well as her experience in the political arena which provide valuable insights to the Board related to financial performance, the understanding of financial statements, and compliance provide valuable insight to the Board about the Company, and about financial performance and controls more generally.

Daniel B. Magraw

Mr. Magraw's experience as a director of the Company since October 2006, his expertise on international environmental law and policy and international business law, as well as his long history of leadership roles provide valuable insight to the Board about the Company, and about nuclear policy and international law more generally.

**CORPORATE GOVERNANCE**

Our current corporate governance practices and policies are designed to promote stockholder value. We are committed to the highest standards of corporate ethics and diligent compliance with financial accounting and reporting rules. Our Board provides independent leadership in the exercise of its responsibilities. Our management oversees a system of internal controls and compliance with corporate policies and applicable laws and regulations, and our employees operate in a climate of responsibility, candor and integrity.

**Corporate Governance Guidelines**

We and our Board are committed to high standards of corporate governance as an important component in building and maintaining stockholder value. To this end, we regularly review our corporate governance policies and practices to ensure that they are consistent with the high standards of other companies. We also closely monitor guidance issued or proposed by the SEC and the provisions of the Sarbanes-Oxley Act, as well as the emerging best practices of other companies. The current corporate governance guidelines are available on the Company's website [www.ltbridge.com](http://www.ltbridge.com). Printed copies of our corporate governance guidelines may be obtained, without charge, by contacting the Corporate Secretary, Lightbridge Corporation, 11710 Plaza America Drive, Suite 2000, Reston, VA 20190 USA.

**The Board and Committees of the Board**

The Company is governed by the Board that currently consists of six members: Seth Grae, Thomas Graham, Xingping Hou, Victor Alessi, Kathleen Kennedy Townsend and Daniel Magraw. The Board has established four Committees: the Audit Committee, the Compensation Committee, the Governance and Nominating Committee and the Executive Committee. Each of the Audit Committee, Compensation Committee and Governance and Nominating Committee are comprised entirely of independent directors. From time to time, the Board may establish other committees. The Board met five times in 2017. The Board has adopted a written charter for each of its committees which are available on the Company's website [www.ltbridge.com](http://www.ltbridge.com). Printed copies of these charters may be obtained, without charge, by contacting the Corporate Secretary, Lightbridge Corporation, 11710 Plaza America Drive, Suite 2000, Reston, VA 20190 USA. Each director attended at least 75% of all meetings of the Board of Directors and each committee on which he or she served during 2017, other than Mr. Hou due largely to time zone differences. Pursuant to the Company's Corporate Governance Guidelines, directors are encouraged to attend annual meeting of stockholders, and each of Ms. Townsend and Messrs. Alessi, Grae, Graham and Magraw attended the Company's 2017 annual meeting.

*Table of Contents*

**Governance Structure**

The Company has chosen to separate the roles of the Chairman of the Board and the Chief Executive Officer, though our current Chairman, Thomas Graham, Jr., is a member of the Company's executive management. We have chosen to implement such a governance structure to allow our Chief Executive Officer the ability to focus the majority of his time and efforts on the day-to-day operations of the Company. We believe that this governance structure has served the Company's stockholders well over the years.

We encourage our stockholders to learn more about our Company's governance practices at our website, [www.ltbridge.com](http://www.ltbridge.com).

**The Board's Role in Risk Oversight**

The Board oversees that the assets of the Company are properly safeguarded, that the appropriate financial and other controls are maintained, and that the Company's business is conducted wisely and in compliance with applicable laws and regulations and proper governance. Included in these responsibilities is the Board's oversight of the various risks facing the Company. In this regard, the Board seeks to understand and oversee critical business risks. The Board does not view risk in isolation. Risks are considered in virtually every business decision and as part of the Company's business strategy. The Board recognizes that it is neither possible nor prudent to eliminate all risk. Indeed, purposeful and appropriate risk-taking is essential for the Company to be competitive on a global basis and to achieve its objectives.

While the Board oversees risk management, Company management is charged with managing risk. The Company has robust internal processes and a strong internal control environment to identify and manage risks and to communicate with the Board. The Board and the Audit Committee monitor and evaluate the effectiveness of the internal controls and the risk management program at least annually. Management communicates routinely with the Board, Board committees and individual directors on the significant risks identified and how they are being managed. Directors are free to, and indeed often do, communicate directly with senior management.

The Board implements its risk oversight function both as a whole and through committees. Much of the work is delegated to various committees, which meet regularly and report back to the full Board. All committees play significant roles in carrying out the risk oversight function. In particular:

- The Audit Committee oversees risks related to the Company's financial statements, the financial reporting process, accounting and legal matters. The Audit Committee oversees the internal audit function and the Company's ethics programs, including the Code of Business Conduct and Ethics. The Audit Committee members meet separately with representatives of the independent auditing firm.

Table of Contents

**Audit Committee**

Our Audit Committee consists of Mr. Alessi, Mr. Magraw and Ms. Townsend, each of whom is “independent” as that term is defined under the Nasdaq listing standards. The Audit Committee oversees our accounting and financial reporting processes and the audits of the financial statements of the Company. Ms. Townsend is chair of the Audit Committee and a financial expert as that term is defined by the applicable SEC rules. The Audit Committee is responsible for, among other things:

- selecting our independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors;

The Audit Committee met five times during 2017.

**Compensation Committee**

Our Compensation Committee consists of Mr. Alessi, Mr. Magraw and Ms. Townsend, each of whom is “independent” as that term is defined under the Nasdaq listing standards. Our Compensation Committee assists the Board in reviewing and approving the compensation structure of our directors and executive officers, including all forms of compensation to be provided to our directors and executive officers. Our Chief Executive Officer and Chief Financial Officer may not be present at any committee meeting during which his or her compensation is deliberated. The Compensation Committee is responsible for, among other things:

- approving and overseeing the compensation package for our executive officers;

Table of Contents

Under its charter, the Compensation Committee has sole authority to retain and terminate outside counsel, compensation consultants retained to assist the Compensation Committee in determining the compensation of the Chief Executive Officer or senior executive officers, or other experts or consultants, as it deems appropriate, including sole authority to approve the firms' fees and other retention terms. The Compensation Committee may also form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Compensation Committee. The Compensation Committee may from time to time seek recommendations from the executive officers of the Company regarding matters under the purview of the Compensation Committee, though the authority to act on such recommendations rests solely with the Compensation Committee.

The Compensation Committee met four times during 2017.

**Governance and Nominating Committee**

Our Governance and Nominating Committee consists of Mr. Alessi, Mr. Magraw and Ms. Townsend, each of whom is "independent" as that term is defined under the Nasdaq listing standards. The Governance and Nominating Committee assists the Board of Directors in identifying individuals qualified to become our directors and in determining the composition of the Board and its committees. The Governance and Nominating Committee is responsible for, among other things:

- identifying and recommending to the Board nominees for election or re-election to the Board, or for appointment to fill any vacancy;
- reviewing annually with the Board the current composition of the Board in light of the characteristics of independence, age, skills, experience and availability of service to us;

Our Governance and Nominating Committee does not have a specific policy with regard to the consideration of candidates recommended by stockholders; however any nominees proposed by our stockholders will be considered on the same basis as nominees proposed by the Board. If you or another stockholder want to submit a candidate for consideration to the Board, you may submit your proposal to our Corporate Secretary:

- by sending a written request by mail to:

The Governance and Nominating Committee met two times during 2017.





Table of Contents

**Executive Committee**

Our Executive Committee consists of Messrs. Alessi, Grae and Graham. The Executive Committee of the Company exercises the power of the Board between regular meetings of the Board and when timing is critical. The Executive Committee also assists the Board in fulfilling its oversight responsibility with respect to management-level staff, outside service providers, third-party vendors and sensitive information potentially subject to export controls.

**Code of Ethics**

The Board has adopted a Code of Business Conduct and Ethics that applies to the Company's directors, officers and employees. A copy of this policy is available via our website at <http://ir.ltbridge.com/corporate-governance.cfm>. Printed copies of our Code of Business Conduct and Ethics may be obtained, without charge, by contacting the Corporate Secretary, Lightbridge Corporation, 11710 Plaza America Drive, Suite 2000, Reston, VA 20190 USA. During the fiscal year ended December 31, 2017, there were no waivers of our Code of Business Conduct and Ethics.

**Stockholder Communication with the Board of Directors**

Stockholders may communicate with the Board, including non-management directors, by sending a letter to our Board, c/o Corporate Secretary, Lightbridge Corporation, 11710 Plaza America Drive, Suite 2000, Reston, VA 20190 USA for submission to the Board or committee or to any specific director to whom the correspondence is directed. Stockholders communicating through this means should include with the correspondence evidence, such as documentation from a brokerage firm, that the sender is a current record or beneficial stockholder of the Company. All communications received as set forth above will be opened by the Corporate Secretary or his designee for the sole purpose of determining whether the contents contain a message to one or more of our directors. Any contents that are not advertising materials, promotions of a product or service, patently offensive materials or matters deemed, using reasonable judgment, inappropriate for the Board will be forwarded promptly to the chairman of the Board, the appropriate committee or the specific director, as applicable.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Under U.S. securities laws, directors, executive officers and persons beneficially owning more than 10% of our common stock must report their initial ownership of our common stock, and any changes in that ownership, to the SEC. The SEC has designated specific due dates for these reports. Based solely on our review of copies of such

reports filed with the SEC and written representations of our directors and executive officers, we believe that all persons subject to such reporting requirements filed all required reports on a timely basis in 2017, except for Form 4 filings for Messrs. Mushakov, Grae, Alessi, Magraw and Graham and Ms. Zwobota and Townsend, each of which was due on October 30, 2017 and filed on November 2, 2017.

## **ITEM 11. EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

In this section, we discuss our compensation philosophy and describe the compensation program for our senior executives. We also explain how the Compensation Committee determines compensation for our senior executives and its rationale for specific 2017 decisions. In addition, we discuss numerous changes the Committee has made to our program over the past several years to advance its fundamental objective: aligning our executive compensation with the long-term interests of our stockholders.

Table of Contents

The Compensation Discussion and Analysis describes the compensation of the following named executive officers (“NEOs”):

<b>Name</b>	<b>Title</b>
Seth Grae	Chief Executive Officer, President and Director
Linda Zwobota	Chief Financial Officer
Andrey Mushakov	Executive Vice President for International Nuclear Operations

*Executive Summary*

Our executive compensation program is designed to attract and retain qualified management personnel, to align our management’s interests with that of our stockholders, and to reward exceptional organizational and individual performance. Performance of our executives is evaluated based on financial and non-financial goals that balance achievement of short-term goals related to the continued development of the Company’s fuel technology and business and long-term goals that seek to maximize stockholder value.

*2017 Compensation Highlights*

Following our say-on-pay votes in 2016 and 2017:

- We expanded disclosure concerning our executive compensation decisions, including the addition of this Compensation Discussion and Analysis to our proxy statement beginning in 2017. While the Company is not required to include this disclosure so long as it qualifies as a “smaller reporting company” under SEC rules, we believe expanding our disclosure is important for our stockholders to better understand the basis for our compensation decisions.

*2017 Accomplishments*

The Company achieved significant strategic goals during 2017 including, without limitation:

- Framatome Joint Venture. As a result of significant efforts throughout 2017, in January 2018 Lightbridge and Framatome Inc. (formerly AREVA) finalized and launched Enfission, LLC, a 50-50 joint venture company to develop, license, manufacture and sell nuclear fuel assemblies based on Lightbridge-designed metallic fuel technology and other advanced nuclear fuel intellectual property.

Table of Contents

*Philosophy of Our Compensation Program*

Our compensation program is centered around a philosophy that focuses on management retention, alignment of interests between management and the stockholders and pay-for-performance compensation. We believe this philosophy allows us to compensate our NEOs competitively, while simultaneously ensuring continued development and achievement of key business strategy goals. The Compensation Committee firmly believes that our pay-for-performance philosophy should recognize both short- and long-term performance and should include both cash and equity compensation arrangements that are supported by strong corporate governance, including active and effective oversight by the Compensation Committee.

To that end, we have implemented the following policies and practices:

- Significant “At-Risk” Compensation. A significant portion of NEO compensation is based on each NEO’s individual performance and the performance of the Company. Approximately 40% of NEO compensation in 2016 was performance-based, as well as approximately 45% of 2017 compensation.
- Short-Term Incentive Compensation. The short-term incentive compensation component of our compensation program includes an annual bonus, payable in cash and/or equity awards, upon the achievement of specific planned performance goals. Such bonus serves as a vehicle for retention and allows us to deliver competitive compensation tied to performance.

*Objectives of Our Compensation Plan*

The Compensation Committee has outlined the following objectives for compensation of our NEOs and considers such objectives in making compensation decisions:

<b>Objective</b>	<b>Description</b>
<b>Attraction and Retention</b>	We provide competitive compensation to our NEOs and tie a significant portion of compensation to time-based vesting requirements, helping to ensure that we can continue to attract key management personnel and retain such personnel.
<b>Pay for Performance</b>	A significant portion of each NEO’s compensation is “at-risk” or variable, based on our performance and stock price.
<b>Pay Mix</b>	We use a variety of fixed-pay and incentive compensation forms, including cash, stock and options.
<b>Competitive Packages</b>	

We evaluate our compensation program in an effort to provide a competitive compensation package to each NEO that takes into account their responsibilities, performance and organization.

*Table of Contents*

***How Executive Compensation is Determined***

*Role of the Compensation Committee*

The Compensation Committee of the Board oversees the Company's executive compensation programs. Additionally, the Compensation Committee is charged with the review and approval of all annual compensation decisions relating to the NEOs and the Company's other officers.

The Compensation Committee is composed entirely of independent, non-management members of the Board. Each member of the Compensation Committee is both a "non-employee director" within the meaning of Rule 16b-3 of the Exchange Act, and an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code. No Compensation Committee member participates in any of the Company's employee compensation programs. Each year the Company reviews any and all relationships that each director has with the Company, and the Board of Directors subsequently reviews these findings. The responsibilities of the Compensation Committee, as stated in its charter, include the following:

- review and make such recommendations to the Board of Directors as the Compensation Committee deems advisable with regard to all incentive-based compensation plans and equity-based plans;

*Role of Compensation Consultant*

Pursuant to its charter, the Compensation Committee is authorized to engage, retain and terminate any consultant, as well as approve the consultant's fees, scope of work and other terms of retention. For both 2016 and 2017, the Committee retained Pay Governance LLC as its independent advisor. Pay Governance advises and consults with the Committee on compensation issues and the composition of the Company's peer group, and keeps the Committee apprised of competitive practices related to executive compensation. Pay Governance assisted the Committee in the design, structure and implementation of the current annual executive compensation program, and, at the direction of the Committee, compensation levels, trends and practices. Pay Governance does not determine the exact amount or form of executive compensation for any executive officers. Pay Governance reports directly to the Committee, and a representative of Pay Governance, when requested, attends meetings of the Committee, is available to participate in executive sessions and communicates directly with the Committee Chair or its members outside of meetings. Pay Governance does no other work for the Company.



*Role of Management*

The Compensation Committee considers input from the CEO when making executive compensation decisions for the other officers and employees of the Company. The CEO's input is useful because the CEO reviews and observes the performance of the officers and employees at the Company. The Compensation Committee and Board of Directors determine the compensation of the CEO without any management input.

Table of Contents

*Performance Goals*

The Compensation Committee believes that a significant portion of each NEO's compensation should be tied to the Company's performance. The Company measures performance based on certain operational and financial objectives. Performance goals have changed from time to time and will continue to change as the condition of the Company and its fuel technology evolve.

*Peer Group Analysis*

The Company has historically evaluated its compensation program against the programs at other companies in order to ensure its compensation program is competitive. With the assistance of Pay Governance, the peer companies were selected based on (i) revenue scope within a reasonable range, (ii) market capitalization within a reasonable range of the Company's market capitalization, and (iii) companies focused on technologies and services with potential environmental applications. In 2017, the peer group consisted of:

- Altimune, Inc.<sup>(1)</sup>
- Ecology & Environment, Inc.
- GSE Systems, Inc.
- Perma-Fix Environmental Services, Inc.
- Spherix Incorporated
- TRC Companies
- Arrowhead Pharmaceuticals, Inc.
- Gevo, Inc.
- Maxwell Technologies, Inc.
- Research Frontiers Incorporated
- Superconductor Technologies Inc.
- US Ecology, Inc.

(1) PharmAthene, Inc., which was included in the 2016 peer group, merged with Altimune, Inc. during 2017.

The Company traditionally targeted all elements of its compensation programs to provide a competitive compensation opportunity at the median range of companies whose compensation is used in our peer group.

Table of Contents***Executive Compensation Elements****Overview and Compensation Mix*

The following table illustrates the principal elements of the Company's executive compensation program, each of which is evaluated and updated on an annual basis by the Compensation Committee:

<b>Pay Element</b>	<b>Characteristics</b>	<b>Primary Objective</b>
Base Salary	Annual fixed cash compensation	Attract and retain qualified and high performing executives
Short-Term Incentive Compensation	Annual performance-based bonus payable in cash or equity awards	Incentivize our NEOs to achieve short-term goals
Long-Term Incentive Compensation	Stock options	Retain our NEOs and align their interests with the interests of our stockholders

In addition to the above-mentioned elements, the Company also provides a retirement, health and welfare benefit component to the executive compensation program.

The 2016 and 2017 compensation mix for the Company's NEOs demonstrates the Company's philosophy regarding significant long-term and performance-based compensation. The following is a summary of the components of the compensation policy for the Company's NEOs.

*Fixed Compensation*

**Base Salary.** The Compensation Committee establishes base salaries for our executives based on the scope of their responsibilities, and takes into account competitive market compensation paid by comparable companies. The Company believes that a competitive compensation program will enhance its ability to attract and retain senior executives. In each case, the Compensation Committee takes into account each officer's (i) current and prior compensation, (ii) scope of responsibilities, (iii) experience, (iv) comparable market salaries and (v) the Company's achievement of performance goals (both financial and non-financial). The Compensation Committee also (i) has the opportunity to meet with the officers at various times during the year, which allows the Compensation Committee to form its own assessment of each individual's performance and (ii) reviews reports of the CEO presented to the Compensation Committee, evaluating each of the other officers, including a review of their contributions and performance over the past year, strengths, weaknesses, development plans and succession potential.

In November 2017, after taking into account the above-mentioned factors, historical base salaries, the performance of the NEOs and the Company's need to preserve capital, the Compensation Committee approved a 3% increase in the base salaries of Mr. Grae and Dr. Mushakov and a 6% increase in the base salary of Ms. Zwobota, as follows:

<b>Name</b>	<b>Title</b>	<b>2017 Base Salary</b>	<b>2018 Base Salary</b>
Seth Grae	Chief Executive Officer, President and Director	\$ 445,891	\$ 459,268
Linda Zwobota	Chief Financial Officer	\$ 197,006	\$ 208,826
Andrey Mushakov	Executive Vice President – International Nuclear Operations	\$ 278,100	\$ 286,443

For more information about the 2017 base salaries for each of our NEOs, please see the 2017 Summary Compensation Table below.

*Table of Contents*

*Retirement, Health and Welfare Benefits*

The Company offers a variety of health and welfare and retirement programs to all eligible employees. The NEOs generally are eligible for the same benefit programs on the same basis as the rest of the Company's employees. The Company's health and welfare programs include medical, dental and vision. In addition to the foregoing, the NEOs are eligible to participate in a defined contribution profit sharing plan (the "401(k)") that is administered by a committee of trustees appointed by the Company. Substantially all employees are eligible to participate in the 401(k) plan. The Company did not make matching contributions in 2016 or 2017.

*Perquisites*

We do not provide any perquisites, whether cash or otherwise, to our NEOs. We feel that our executive compensation program, particularly given the Company's capital needs, provides our NEOs with competitive compensation such that we do not need to provide any perquisites to achieve the goals of our executive compensation program.

*Short-Term Incentive Compensation*

The Compensation Committee has established a short-term incentive (STI) program pursuant to which each of the NEOs could earn a cash or stock-based bonus on the achievement of individualized or Company-wide performance expectations. The target value of the award was established at 50% of base salary in the case of Mr. Grae and Dr. Mushakov and 40% of base salary in the case of Ms. Zwobota.

*"Say-on-Pay" Stockholder Vote*

In 2017, as in prior years, we sought an advisory vote from our stockholders regarding our executive compensation program and received approximately 81% support. While stockholder support increased from 2016, the Compensation Committee continues to seek improvement in the Company's executive compensation program, and to that end increased (i) the portion of short-term incentive bonuses payable in the form of stock options, rather than cash, from approximately 50% in 2016 to approximately 55% in 2017, and (ii) the percentage of total compensation for NEOs tied to the achievement of performance measures from approximately 40% in 2016 to approximately 45% in 2017.

***Target Total Direct Compensation for Fiscal 2018***

No substantial changes to the Company's compensation programs are currently envisioned for 2018. The target compensation packages for our NEOs will continue to be comprised of base salary and, subject to Compensation Committee approval, a performance-based annual incentive plan pursuant to the STI program and stock options under the LTI program. Base salaries have been positioned to reflect job content and competitive pay practices, as discussed above.

***Employment Agreements and Other Arrangements***

Seth Grae. On February 14, 2006, the Company entered into an employment agreement with Seth Grae. Mr. Grae receives a base salary under the agreement, which is currently set at \$459,268 annually. Mr. Grae is also eligible to receive raises and discretionary bonuses, as well as stock based compensation over the term of the agreement. Upon termination by the Company other than for cause, Mr. Grae will receive severance payments equal to his base salary at the time of termination for twelve months, payable in installments in accordance with the Company's normal payroll practices.

Table of Contents

Linda Zwobota. On November 26, 2014, Ms. Zwobota assumed the role of interim Chief Financial Officer of the Company. Prior to that appointment, Ms. Zwobota served as the Company's Controller, a position she held since October 2009, when she joined the Company. In 2015, the Board appointed Ms. Zwobota as Chief Financial Officer of the Company. Ms. Zwobota does not have an employment agreement with the Company and is employed at-will. She currently receives annual base compensation of \$208,826.

Andrey Mushakov. On July 27, 2006, the Company entered into an employment agreement with Dr. Mushakov. Dr. Mushakov receives a base salary under the agreement, which is current set at \$286,443 annually. Dr. Mushakov is also eligible to receive raises and discretionary bonuses, as well as stock based compensation over the term of the agreement. Upon termination by the Company, Dr. Mushakov will receive severance payments equal to his base salary at the time of termination for six months, payable in installments in accordance with the Company's normal payroll practices.

***Internal Revenue Code Section 162(m)***

Section 162(m) of the Internal Revenue Code generally places a \$1,000,000 limit on the deductibility for federal income tax purposes of the annual compensation paid to a company's CEO and each of its other three most highly compensated executive officers (excluding the CFO). However, "qualified performance-based compensation" was previously exempt from this deductibility limitation. Qualified performance-based compensation is compensation paid based solely upon the achievement of objective performance goals, the material terms of which are approved by the stockholders of the paying corporation.

The Tax Cuts and Jobs Act (the "Act"), which was signed into law at the end of 2017, makes significant changes to the deduction limit under Section 162(m), all of which will be effective for taxable years beginning on and after January 1, 2018. The Act eliminates the current exception to the deduction limit for qualified performance-based compensation and broadens the application of the deduction limit to certain current and former executive officers who previously were exempt from such limit. However, the Act also includes a transition provision, which exempts from the above changes compensation under a written binding agreement that was in effect on November 2, 2017 and was not subsequently materially amended. Therefore, compensation paid to a covered executive in excess of \$1,000,000 will not be deductible for taxable years beginning on and after January 1, 2018 unless it qualifies for transition or other regulatory relief.

The Compensation Committee considers the anticipated tax treatment to the Company when determining executive compensation and routinely seeks to structure its executive compensation program in a way that preserves the deductibility of compensation payments and benefits. It should be noted, however, that there are many factors which are considered by the Compensation Committee in determining executive compensation and, similarly, there are many factors that may affect the deductibility of executive compensation. In order to maintain the flexibility to be able to

compensate NEOs in a manner designed to promote varying corporate goals, the Compensation Committee has not adopted a strict policy that all executive compensation must be deductible under Section 162(m).

### **Report of the Compensation Committee**

The Compensation Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis with management, and based on review and discussions, the Compensation Committee recommended to the Board the Compensation Discussion and Analysis be included in this Annual Report on Form 10-K.

Members of the Compensation Committee:

*Victor E. Alessi*

*Daniel B. Magraw*

*Kathleen Kennedy Townsend*



Table of Contents**2017 Summary Compensation Table**

The following table sets forth information concerning all cash and non-cash compensation awarded to, earned by or paid to our NEOs for services rendered in all capacities during the noted periods.

Name and Principal Position	Year	Salary	Bonus	Option Awards	Total
		(\$)	(\$) <sup>(1)</sup>	(\$) <sup>(2)(3)</sup>	(\$)
Seth Grae	2017	449,235	111,473	372,932	933,640
CEO, President and Director	2016	435,069	189,396	227,275	851,740
Linda Zwobota	2017	199,961	39,401	156,025	395,387
CFO	2016	189,188	56,287	67,545	313,020
Andrey Mushakov	2017	280,186	69,525	232,596	582,307
EVP for International Nuclear Operations	2016	271,350	118,125	141,750	531,225

(1) Bonuses were paid in January 2018.

(2) For a discussion of the assumptions and methodologies used in calculating the grant date fair value of the stock option awards, please see Note 10 to the Company's consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K.

(3) 64% and 70% of the fair market value of options granted to Linda Zwobota, and to Seth Grae and Andrey Mushakov, respectively, were granted subject to performance conditions that were achieved in 2018. 54% of the fair market value of these performance-based options is subject to stockholder approval of an increase in the number of underlying shares in the 2015 Equity Incentive Plan.

**Outstanding Equity Awards at Fiscal Year End**

The following table sets forth all outstanding equity awards to our named executive officers as of December 31, 2017.

Name	Option Awards			
	Number of Securities		Option	Option
	Underlying	Unexercised		
Options (#)	Options (#)	Price (\$)	Date	
	Exercisable	Unexercisable		
Seth Grae	22,574	—	28.50	7/14/2019
	13,328	—	43.25	3/11/2020
	8,521	—	27.65	3/19/2021
	31,062	—	12.75	5/5/2019
	65,780	9,847(1)	6.30	4/8/2025
	8,317	935	6.30	8/12/2025
	165,702	43,440	4.60	11/20/2025
	218,377	—	1.54	11/9/2026
	182,629	300,147(2)	1.05	10/26/2027
	Linda Zwobota	3,872	—	12.75
19,172		4,487(3)	6.30	4/9/2025
3,904		729	6.30	8/12/2025
42,936		15,061	4.60	11/20/2025
64,900		—	1.54	11/9/2026
64,552		136,475(2)	1.05	10/26/2027
Andrey Mushakov	2,703	—	28.50	7/13/2019
	1,710	—	43.25	3/11/2020
	1,847	—	27.10	4/11/2021
	12,125	—	12.75	5/5/2019
	32,329	4,487(1)	6.30	4/8/2025
	7,056	729	6.30	8/12/2025
	93,701	27,093	4.60	11/20/2025
	136,200	—	1.54	11/9/2026
113,905	187,200(2)	1.05	10/26/2027	

Table of Contents

(1) These stock options vest on April 8, 2018.

(2) These stock options vested upon the satisfaction of certain performance criteria in January 2018, but stock options to purchase 161,676 shares in the case of Mr. Grae, 73,513 shares in the case of Ms. Zwobota and 100,836 shares in the case of Dr. Mushakov remain contingent upon stockholder approval of an increase in the number of underlying shares in the 2015 Equity Incentive Plan.

(3) These stock options vest on April 9, 2018.

**Potential Payments upon Termination or Change in Control**

***Employment Agreements***

As noted above under “—Employment Agreements and Other Arrangements,” each of Mr. Grae and Dr. Mushakov has entered into an employment agreement with the Company. Upon their death or disability, or upon their termination by the Company without cause (as defined in each employment agreement) or by either NEO for good reason (as defined in each employment agreement), each of Mr. Grae and Dr. Mushakov will receive severance payments equal to his base salary at the time of termination, for twelve months in the case of Mr. Grae and six months in the case of Dr. Mushakov, payable in installments in accordance with the Company’s normal payroll practices. Each of Mr. Grae and Dr. Mushakov will also be entitled to continued benefits under the Company’s group health, dental and life insurance plans, for a period of twelve months following termination in the case of Mr. Grae and six months following termination in the case of Dr. Mushakov.

Ms. Zwobota does not have an employment agreement with the Company.

***Equity Incentive Plans***

Under the Company’s 2006 Stock Plan and 2015 Equity Incentive Plan, each as amended, the Board or the Compensation Committee may accelerate the vesting of awards outstanding thereunder upon a change in control of the Company. The Board or the Compensation Committee may also provide for the payment of the cash value of the awards in connection with a change in control under circumstances specified in the Plans.

## Director Compensation

The following table sets forth certain information concerning the compensation paid to our directors for services rendered to us during the fiscal 2017. Neither of Messrs. Grae or Hou was compensated for his service as a director in 2017. Beginning October 2017, Ms. Townsend is paid \$35,646 annually, up from \$34,608 annually, and Mr. Alessi and Mr. Magraw are each paid \$33,864 annually, up from \$32,878 annually. Mr. Graham, who serves as Chairman of the Board and Corporate Secretary, earned an annual salary of \$193,408 during 2017 pursuant to an employment agreement with the Company, which amount was increased to \$199,210 in October 2017. Directors are reimbursed for out of pocket expenses incurred as a result of their participation on our Board.

In addition, each director other than Messrs. Grae and Hou was awarded stock options in October 2017, relating to 46,548 shares for Ms. Townsend and 44,221 shares for each of Messrs. Alessi, Graham and Magraw. The stock options vest on October 26, 2018 and a portion of each stock option remains contingent upon stockholder approval of an increase in the number of underlying shares in the 2015 Equity Incentive Plan.

Table of Contents

Name	Fees Earned or		Option Awards <sup>(1)</sup>	Total
	Paid in Cash			
	(\$)		(\$)	(\$)
Victor Alessi	\$ 33,124	\$	\$ 32,888	\$ 66,012
Thomas Graham, Jr.	\$ 195,797	\$	\$ 32,888	\$ 228,685
Xingping Hou	—	—	—	—
Daniel Magraw	\$ 33,124	\$	\$ 32,888	\$ 66,012
Kathleen Kennedy Townsend	\$ 34,868	\$	\$ 34,618	\$ 69,486

(1) For a discussion of the assumptions and methodologies used in calculating the grant date fair value of the stock option awards, please see Note 10 to the Company's consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K.

As of December 31, 2017, the Company's directors other than Mr. Grae held the following stock options:

- For each of Mr. Alessi and Mr. Magraw, stock options to purchase 73,799 shares of common stock, of which stock options to purchase 23,820 shares remain contingent upon stockholder approval of an increase in the number of underlying shares in the 2015 Equity Incentive Plan;

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following tables set forth information known to us with respect to the beneficial ownership of our common stock as of March 15, 2018 for: (i) each person known by us to beneficially own more than 5% of our voting securities, (ii) each named executive officer, (iii) each of our directors and nominees, and (iv) all of our current executive officers and directors as a group. The address of each executive officer, director and nominee is care of Lightbridge Corporation, 11710 Plaza America Drive, Suite 2000, Reston, VA 20190 USA. Except as explained in the footnotes to the following table, each person listed, and the members of the group, had sole voting power and sole investment power with respect to the shares shown.

Name	Common Stock Held Directly	Derivative Securities <sup>(1)</sup>	Total Beneficial Ownership	Percent of Common Stock
------	----------------------------------	---	----------------------------------	-------------------------------

Edgar Filing: LIGHTBRIDGE Corp - Form 10-K/A

Seth Grae	122,815(2)	857,206	980,021	4.0%
Linda Zwobota	10,833	266,781	277,614	1.2%
Andrey Mushakov	35,484	490,715	526,199	2.2%
Victor Alessi	3,310	29,580	32,890	*
Thomas Graham, Jr.	28,728(3)	20,019	48,747	*
Xingping Hou	—	1,120,753	1,120,753	4.6%
Dan Magraw	10,182	29,580	39,762	*
Kathleen Kennedy Townsend	1,264	29,003	30,267	*
Current Directors and Executive Officers as a Group (eight people)	212,616	2,843,637	3,056,253	11.6%

Table of Contents

\* Denotes less than 1% of the outstanding shares of common stock.

(1) Other than in the case of Mr. Hou, consists of stock options to purchase the Company's common stock that are exercisable within 60 days of March 15, 2018. For Mr. Hou, consists of convertible preferred common stock owned through a controlled entity.

(2) Includes 50,000 shares of common stock held by Mr. Grae's spouse.

(3) Includes 4,000 shares of common stock held by Mr. Graham's spouse.

**Equity Incentive Plans**

Under the Company's 2006 Stock Plan and 2015 Equity Incentive Plan, each as amended, the Board or the Compensation Committee may accelerate the vesting of awards outstanding thereunder upon a change in control of the Company. The Board or the Compensation Committee may also provide for the payment of the cash value of the awards in connection with a change in control under circumstances specified in the Plans.

**Securities Authorized for Issuance under Equity Compensation Plans**

The following table sets forth certain information about the securities authorized for issuance under our 2015 Equity Incentive Plan, as amended, and 2006 Stock Plan, as amended, as of December 31, 2017.

Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights <sup>(1)</sup>	Number of securities remaining available for future issuance under equity compensation plans
	(b)	

**(a)****(excluding  
securities  
reflected in  
column (a))**

				<b>(c)</b>
Equity compensation plans approved by security holders	3,318,167	\$	4.08	—
Equity compensation plans not approved by security holders	658,717	\$	1.05	—
<b>Total</b>	<b>3,976,884</b>	<b>\$</b>	<b>3.58</b>	<b>—</b>

(1) The weighted-average exercise price is calculated based solely on the exercise prices of the outstanding stock options.



Table of Contents

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

**Transactions with Related Persons**

Other than the following transaction, none of our directors, director nominees, executive officers, 5% stockholders, or immediate family members of such persons has been involved in any transactions with us which are required to be disclosed pursuant to Item 404 of Regulation S-K:

On August 2, 2016, we sold 1,020,000 shares of our non-voting Series A convertible preferred stock to General International Holdings, Inc., a company controlled by Mr. Xingping Hou, for \$2.8 million or approximately \$2.75 per share. We also entered into an investors rights agreement with General International Holdings, Inc. on August 2, 2016 pursuant to which we agreed to appoint Mr. Hou to the Board of Directors.

**Independent Directors**

In considering and making decisions as to the independence of each of the directors of the Company, the Board considered transactions and relationships between the Company (and its subsidiaries) and each director (and each member of such director’s immediate family and any entity with which the director or family member has an affiliation such that the director or family member may have a material indirect interest in a transaction or relationship with such entity). The Board has determined that Mr. Alessi, Mr. Hou, Mr. Magraw and Ms. Townsend are independent as defined in applicable SEC and Nasdaq rules and regulations, and that each constitutes an “Independent Director” as defined in Nasdaq Listing Rule 5605. Such members constitute a majority of the entire Board.

**ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.**

The following table sets forth the fees billed to us by BDO during the fiscal years ended December 31, 2017 and 2016.

	<b>2017</b>		<b>2016</b>
Audit Fees	\$ 158,876	\$	181,228
Audit Related Fees	—		—

Tax Fees	—	—
All Other Fees	—	—
Total	\$ 158,876	\$ 181,228

*Audit Fees* consist of the aggregate fees billed for professional services rendered for the audit of our annual financial statements and the reviews of the financial statements included in our Forms 10-Q and for any other services that were normally provided by BDO in connection with our statutory and regulatory filings or engagements.

*Audit Related Fees* consist of the aggregate fees billed for professional services rendered for assurance and related services that were reasonably related to the performance of the audit or review of our financial statements and were not otherwise included in Audit Fees.

Table of Contents

*Tax Fees* consist of the aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. Included in such Tax Fees are fees for preparation of our tax returns and consultancy and advice on other tax planning matters.

*All Other Fees* consist of the aggregate fees billed for products and services provided by BDO and not otherwise included in Audit Fees, Audit Related Fees or Tax Fees. Included in such Other Fees are fees for services rendered in connection with any private and public offerings conducted during such periods.

Our Audit Committee has considered whether the provision of the non-audit services described above is compatible with maintaining auditor independence and determined that such services are appropriate. Before auditors are engaged to provide us audit or non-audit services, such engagement is (without exception, required to be) approved by the Audit Committee of our Board.

**Pre-Approval Policies and Procedures**

Under the Sarbanes-Oxley Act of 2002, all audit and non-audit services performed by our auditors must be approved in advance by our Board to assure that such services do not impair the auditors' independence from us. In accordance with its policies and procedures, our Board pre-approved the service performed by the Company's independent registered public account firm, BDO, for our consolidated financial statements as of and for the year ended December 31, 2017.

Table of Contents

**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

(a) Documents filed as part of this report.

(3) Exhibits.

**Exhibit**

<b>Number</b>	<b>Description</b>
<u>31.1*</u>	<u>Rule 13a-14(a)/15d-14(a) Certification — Principal Executive Officer.</u>
<u>31.2*</u>	<u>Rule 13a-14(a)/15d-14(a) Certification — Principal Financial Officer and Principal Accounting Officer.</u>

\* Filed or furnished herewith

Table of Contents

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**LIGHTBRIDGE CORPORATION**

Date: March 30, 2018

By: */s/ Seth Grae*  
Seth Grae  
Chief Executive Officer,  
President and Director