HECLA MINING CO/DE/
Form DEF 14A
April 09, 2019
Table of Contents

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

CHECK THE APPROPRIATE BOX:

Preliminary Proxy Statement
Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Under Rule 14a-12

Hecla Mining Company

(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
1) Title of each class of securities to which transaction applies:
2) Aggregate number of securities to which transaction applies:
3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
4) Proposed maximum aggregate value of transaction:
5) Total fee paid:
Fee paid previously with preliminary materials:
Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
1) Amount previously paid:
2) Form, Schedule or Registration Statement No.:
3) Filing Party:
4) Date Filed:

Table of Contents

Table of Contents

A MESSAGE FROM
YOUR BOARD OF DIRECTORS

Board of Directors

From left: Ted Crumley, George R. Johnson, Terry V. Rogers, Phillips S. Baker, Jr., George R. Nethercutt, Jr., Charles B. Stanley, Catherine “Cassie” J. Boggs, and Stephen F. Ralbovsky

The Board is committed to fulfilling its duties to oversee Hecla’s strategic and operational activities, including oversight of the Company’s health and safety programs, environmental stewardship, community engagement, and corporate responsibility and sustainability, while also maintaining sound corporate governance practices.

Cover Photos:

(left) Casa Berardi underground miners at the beginning of their shift.

(top right) Fish passage (Hewlett Ramp) built near the Lucky Friday Mine to improve fish habitat and assist in migration upstream.

(bottom right) Tonne automated haul truck at Casa Berardi.

Dear Fellow Shareholders:

It is the responsibility of the Board to oversee Hecla Mining Company’s strategic and operational activities in a manner that protects and creates long-term shareholder value, while maintaining sound corporate governance practices. The Board is committed to fulfilling these duties and to keeping the interests of our shareholders and employees at the center of our priorities.

Safety and Health

Hecla’s goal is to continually improve our health and safety performance, so that at the end of each shift Hecla’s workers go home safely – every day. In 2016, Hecla was recognized by the National Mining Association (NMA) as the first hardrock mining company to receive an independent certification under the NMA CORESafety system. The Health, Safety, Environment and Technical Committee upholds the Board’s responsibility and commitment to promote a healthy and safe work environment, and environmentally sound and socially responsible resource development. The Board was pleased that in 2018 Hecla’s Casa Berardi Mine was the first international mine to receive certification under the CORESafety system. Company-wide, Hecla’s all injury frequency rate dropped 55% from 2012 to 2017, with Casa Berardi operating at the lowest all injury frequency rate since Hecla acquired the mine in 2013. Hecla’s Lucky Friday Mine Rescue Team earned first place in the 2018 Central Mine Rescue Competition, with its Greens Creek Mine Rescue Team taking second. The teams placed seventh and tenth overall, respectively, at the 2018 National Metal/Non-Metal Mine Rescue Competition.

Corporate Responsibility and Sustainability

At Hecla, the foundation of our corporate responsibility is built on three key areas: health and safety programs; environmental stewardship; and community engagement. Corporate responsibility and sustainability are integral to Hecla’s business strategy. We have always focused on delivering strong financial results, but we are committed to doing so in a way that respects the communities and environments in which we operate. Hecla’s management team is actively engaged in a dialogue with investors around their interest in environmental, social and governance (sometimes referred to as ESG) issues and their impact on financial results. Today, we strive to have these principles permeate Hecla at every level – including the Board – which maintains oversight for these issues through each of the Board committees. The committees maintain an informed status on all corporate social responsibility and sustainability efforts.

Table of Contents

A Message from Your Board of Directors

Risk and Strategic Oversight

We are responsible for company-wide risk management oversight. Taking reasonable and responsible risks is an inherent part of Hecla's business and is critical to Hecla's continued innovation, growth, and achievement of strategic objectives. The Board actively oversees and monitors the most significant risks that could impact Hecla's operations. The Company identifies, assesses, and assigns responsibility for managing risks through an enterprise risk assessment process, our internal control environment and other internal processes. The Board and management coordinate the risk oversight role in a manner that serves the long-term interests of the Company and its shareholders through established periodic reporting and open lines of communication.

Governance and Ethics

The Board, directly and through the Corporate Governance and Director's Nominating Committee ("Governance Committee"), seeks to maintain corporate governance practices that are aligned with our strategic, financial and operational goals. We do this by conducting processes at least annually to evaluate, optimize and update governance and practice guidelines. Our Code of Conduct demonstrates our commitment to seeking and delivering best practices in ethics and integrity in every aspect of our business. While your Board and employees are obligated to follow this code, we expect Company leaders to set the example – to be models in every respect. And we expect all those with supervisory responsibility to exercise that responsibility in a manner that is caring, receptive, considerate, and respectful. Our Corporate Governance Guidelines also provide shareholders with the best-practice principles of our corporate governance program and board framework.

Board Composition and Refreshment

Shareholders continue to express a genuine and legitimate interest in finding effective ways to ensure that boards of directors are comprised of the right people, with the right skills and qualifications, to effectively represent their interests. The issue of Board composition and refreshment is a priority of our shareholders, and we agree that refreshing the Board with new perspectives and new ideas is critical to a forward-looking and strategic Board. At the same time, it is also important to benefit from the valuable experience and familiarity that longer-serving directors bring to the boardroom. The Board is also conscious of the benefits of diversity on the Board. Ensuring diverse perspectives, including a mix of skills, experience and backgrounds, is key to effectively representing the long-term interests of shareholders. Doing so is a top priority of the Board. In the last three years, three new directors have been appointed to our Board. As a result, the average tenure for our directors has been reduced, and our Board now includes a female director.

We remain committed to ensuring the Board is composed of a highly capable and diverse group of directors, well-equipped to oversee the success of the business and effectively represent the interests of our shareholders. As some of our Board members move closer to reaching the mandatory retirement age, we will continue to seek qualified candidates who will further enhance our Board's diversity.

Your participation and your votes are important to the future of our Company. We encourage you to vote your shares in accordance with the Board's recommendations. Details of the items to be voted upon are provided throughout this Proxy Statement. We sincerely hope you will be able to attend and participate in our Annual Meeting. We welcome the opportunity to meet with many of you and give you a firsthand report on our progress, as well as express our appreciation for your confidence and support.

Ted Crumley
Chairman

Phillips S. Baker, Jr.
Chief Executive Officer, President and Director

Catherine J. Boggs
Director

George R. Nethercutt, Jr.
Director

Stephen F. Ralbovsky
Director

Terry V. Rogers
Director

Charles B. Stanley
Director

George R. Johnson
Director

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
MAY 23, 2019

Table of Contents

Table of Contents

Table of Contents

Table of Contents

Table of Contents

NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS

Date and Time

Thursday, May 23, 2019, at 11:00 a.m., Pacific Daylight Time

Location

Fairmont Pacific Rim Hotel
1038 Canada Place
Vancouver, British Columbia, Canada

Who Can Vote

The Board of Directors ("Board") has fixed the close of business on March 25, 2019, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting and at any adjournment or postponement thereof ("Record Date"). A list of shareholders eligible to vote at the Annual Meeting will be available for examination by any shareholder for any purpose relevant to the Annual Meeting during ordinary business hours for at least 10 days prior to May 23, 2019, at Hecla's corporate offices, located at 6500 N. Mineral Dr., Suite 200, Coeur d'Alene, Idaho, and at our offices in Vancouver, at Hecla Canada Ltd., located at Suite 970, 800 W. Pender Street, Vancouver, British Columbia, Canada. The list will also be available at the Annual Meeting for examination by any shareholders of record present at the Annual Meeting.

NOTICE IS HEREBY GIVEN that the 2019 Annual Meeting of Shareholders ("Annual Meeting") of Hecla Mining Company ("we," "our," "us," "Hecla," or the "Company") will be held on Thursday, May 23, 2019, at 11:00 a.m., Pacific Daylight Time, at the Fairmont Pacific Rim Hotel, located at 1038 Canada Place, Vancouver, British Columbia, Canada, for the following purposes:

1 Elect three nominees to the Board of Directors, to serve for a three-year term or until their respective successors are elected;
2 Ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for 2019;
3 Approval, on an advisory basis, of our executive compensation;
4 Approval of amendments to and restatement of our Hecla Mining Company 2010 Stock Incentive Plan;
5 Approval of amendments to our Certificate of Incorporation and Bylaws to remove certain 80% supermajority voting provisions;
6 Approval of amendments to our Certificate of Incorporation and Bylaws to permit shareholders to call special meetings of shareholders under certain circumstances;
7 Approval of amendments to our Certificate of Incorporation and Bylaws to declassify our Board of Directors and provide for the annual election of directors; and
8 Transact such other business as may properly come before the meeting.

On or about April 9, 2019, we began mailing to our shareholders of record as of the Record Date, either a Notice of Internet Availability of Proxy Materials ("Notice") containing instructions on how to access this Proxy Statement and our 2018 Annual Report ("Proxy Materials") online, or a printed copy of these Proxy Materials.

Driving directions to the Fairmont Pacific Rim Hotel can be found in the back of this document.

By Order of the Board of Directors

Michael B. White
Corporate Secretary
April 9, 2019

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on May 23, 2019. This Proxy Statement and our 2018 Annual Report are available at http://www.hecla-mining.com.

Table of Contents

PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all the information you should consider, and you should read the entire Proxy Statement before voting. For more complete information regarding the Company's 2018 performance, please review our Annual Report on Form 10-K.

Admission to Annual Meeting

Only record or beneficial owners of Hecla's common stock as of the Record Date, or a valid proxy or representative of such a shareholder, or an invited guest of management, may attend the Annual Meeting in person. Any shareholder, proxy or representative who wishes to attend the Annual Meeting must present the documentation described under *Rules for Attending the Annual Meeting* on page 103.

Proxy Proposals

Proposals		**Board Vote Recommendation**	**Page Reference For More Information**
Proposal 1 –	Election of Class III Directors	**FOR** each Director Nominee	25
Proposal 2 –	Ratification of the Appointment of BDO USA, LLP as our Independent Registered Public Accounting Firm for 2019	**FOR**	33
Proposal 3 –	Approval, on an Advisory Basis, of our Executive Compensation	**FOR**	36
Proposal 4 –	Approval of Amendments to and Restatement of our Hecla Mining Company 2010 Stock Incentive Plan	**FOR**	81
Proposal 5 –	Approval of Amendments to our Certificate of Incorporation and Bylaws to Remove Certain 80% Supermajority Voting Provisions	**FOR**	87
Proposal 6 –	Approval of Amendments to our Certificate of Incorporation and Bylaws to Permit Shareholders to Call Special Meetings of Shareholders Under Certain Circumstances	**FOR**	90
Proposal 7 –	Approval of Amendments to our Certificate of Incorporation and Bylaws to Declassify our Board of Directors and Provide for the Annual Election of Directors	**FOR**	92

Class III Director Nominees to Serve Until the 2022 Annual Meeting

Our Board is currently composed of eight members divided into three classes, with each class serving a term of three years. The Board and the Governance Committee believe the three director nominees (Messrs. Crumley, Rogers and Stanley) possess the necessary qualifications to provide effective oversight of our business and quality advice and counsel to the Company's management.

Table of Contents

Proxy Statement Summary

The following table summarizes important information about each director nominee standing for re-election to the Board for a three-year term expiring in 2022. See page 26 for more information on the director nominees.

Class III Director Nominees	Experience and Qualifications	
Ted Crumley (age 74) Director since 1995 Former Executive Vice President and Chief Financial Officer of OfficeMax Incorporated	Corporate governance & responsibility Industry and mining experience International business experience Strategic planning, business development, business operations	Senior leadership experience Risk management CEO and company administration Finance
Terry V. Rogers C. Dir.[1], H.R.C.C.C.[2] (age 72) Director since 2007 Former Senior Vice President and Chief Operating Officer of Cameco Corporation	Corporate governance & responsibility Finance Industry and mining experience Industry association participation Board service on public companies Strategic planning, business development, business operations	International business experience Senior leadership experience Reputation in the industry Risk management Geology, mining and engineering CEO and company administration
Charles B. Stanley (age 60) Director since 2007 Former Chief Executive Officer, President and Chairman of the Board of QEP Resources, Inc.	Corporate governance & responsibility Finance Industry and mining experience Industry association participation International business experience Corporate governance Strategic planning, business development, business operations	Senior leadership experience CEO and company administration Reputation in the industry Risk management Audit committee financial expert Board service on public companies Geology, mining and engineering

(1) Chartered Director
(2) Human Resources and Compensation Committee Certified

Corporate Governance Highlights

We are committed to good corporate governance practices and believe that Proposals 5, 6 and 7 are in the best interests of our shareholders. We believe that, if passed, they would enhance Board and management accountability and help build public trust in the Company. In addition to Proposals 5, 6 and 7 described beginning on pages 87, 90 and 92, respectively, the *Corporate Governance and Related Matters* section beginning on page 11 further describes our current governance framework, which includes the following highlights:

Shareholder Rights

Director Resignation Policy	Directors who receive more "Against" votes than "For" votes must tender their resignation to the Board for consideration.
No Poison Pill	We do not have a shareholder rights plan (commonly referred to as a "poison pill").
Majority Voting for Director Elections	Directors are elected by a majority of votes cast, which increases Board accountability to shareholders.

Table of Contents

Proxy Statement Summary

Board Structure

Governance Policies	Our Corporate Governance Guidelines provide shareholders with information regarding the best practice principles of our corporate governance program and Board framework.
Board Refreshment and Tenure	We added two new directors in 2016, and one new director in 2017, thereby reducing the average tenure of the Board.
87% Independent	Seven of eight directors are independent, including all Audit, Compensation, and Governance Committee members.
Independent Chairman of the Board	The positions of CEO and Chairman of the Board are held by separate persons. The Board believes this structure is optimal for the Company at this time because it allows the CEO to focus on leading the Company's business and operations, and the Chairman to focus on broader strategies and leading the activities of the Board.
Regular Executive Sessions of Independent Directors	Executive sessions of non-management directors are included on the agenda for every regularly scheduled Board meeting.
Committee Governance	With the exception of our Executive Committee, our Board committees have written charters that clearly establish their respective roles and responsibilities and are comprised exclusively of independent directors. Committee composition and charters are reviewed annually by our Board. The charters for our Compensation, Governance, and Health, Safety, Environmental and Technical Committees were amended in December 2018. The charter for our Audit Committee was amended in February 2019. The amendments were made to reflect more oversight on environmental, social and governance matters.
Director Retirement	Directors will not be nominated for re-election after their 75th birthday.
Annual Performance Evaluations	The Governance Committee oversees an annual performance evaluation of our Board, while the committees perform their own self-evaluations on an annual basis and discuss the evaluations with the Board.
Access to Management and Experts	Our Board and committees have complete access to all levels of management and can engage advisors at our expense, giving them access to employees with direct responsibility for managing our Company and experts to help them fulfill their oversight responsibilities on behalf of our shareholders.
Succession Planning	The Compensation Committee and/or our full Board reviews potential CEO and other senior executive successors annually to develop our future leaders and ensure we can sustain business continuity, if any of these key employees were to leave our Company.

Executive Compensation

Stock Ownership Guidelines	We have stock ownership guidelines for our executive officers and our directors.
Annual Say-on-Pay Vote	Our shareholders have the opportunity annually to cast an advisory vote on our executive compensation.
At-Risk, Performance-Based Compensation	89.1% of CEO and 78.4% of the other NEO's pay is at-risk. Over 67.7% of total compensation for the CEO is performance-based and 59% of total compensation for the other NEOs is performance-based.
Stock Awards	We grant restricted stock units to retain our senior executives and align their interests with long-term interests of our shareholders. The restricted stock units vest annually in equal amounts over a three-year period. Our 2010 Stock Incentive Plan provides for a double-trigger on equity awards.
Performance-based Shares	We grant performance-based shares that have value based on how our Total Shareholder Return ("TSR") ranks within our selected peer group and have no value if the share performance does not exceed the 50th percentile in the peer group.
Change in Control Agreements	Our change in control agreements are double-trigger and contain no excise tax gross-up provision.
Insider Trading Policy	Our Insider Trading Policy prohibits all directors, executive officers and certain other employees from purchasing or selling any Company securities three weeks before through two days after the public release of any of our periodic results, or at any other time during the year while in possession of material non-public information about the Company.
Anti-hedging and Anti-pledging policies	Our Insider Trading Policy provides that directors and officers are prohibited from hedging or pledging any securities of the Company.
Clawback Policy	Each of the Company's incentive plans (Annual Incentive Plan, Long-term Incentive Plan, Key Employee Deferred Compensation Plan, and 2010 Stock Incentive Plan) has clawback provisions.

Table of Contents

Shareholder Outreach

Over the last several years we have undertaken significant shareholder outreach efforts in order to elicit and understand the concerns of our shareholders. After implementing certain changes in 2014 and 2015 to our executive compensation program, our 2016 say-on-pay vote received 81% support, and our 2017 say-on-pay vote received 96% support. In 2018, our say-on-pay proposal received only a 68% favorable vote, which was much lower than the previous year's favorable vote of 96%, even though our compensation practices had not changed.

In advance of our 2019 Annual Meeting, we engaged with our largest shareholders, representing 11% of our outstanding shares, and with two proxy advisory firms. During these conferences, it was determined there was lack of clarity in the operation of our Long-term Incentive Plan ("LTIP"). Our LTIP is based on corporate goals achieved over a three-year performance period. Although we may have one year of underperformance, the Company may still outperform during the other two years, and thus outperform in total over the three-year period. This was the case with our 2015-2017 LTIP. We performed well operationally in 2015 and 2016, but in 2017 we missed certain targets. For the 2015-2017 LTIP, our cash flow generation and production growth exceeded target levels (due to our operations performing well in 2015 and 2016) and were only slightly above minimum threshold levels for reserve growth and TSR. Starting with the 2019-2021 LTIP, the design has been changed to more closely align payouts to performance that results in relative and absolute share performance.

In 2014, we amended our change in control agreements to provide for a "double-trigger" before most elements of compensation would vest in the event of a change in control. In 2018, we amended our 2010 Stock Incentive Plan to provide for a double-trigger.

In addition to seeking input on our compensation practices, our shareholder outreach program seeks to identify corporate governance matters that are of concern primarily to our shareholders, but also to the major proxy advisory firms.

During our shareholder outreach in 2014, 2015 and 2016, three corporate governance issues were discussed with our shareholders: (i) the ability of shareholders to call special meetings; (ii) the 80% supermajority voting requirement to amend provisions in our Certificate of Incorporation and Bylaws impacting special meetings; and (iii) the absence of a director resignation policy.

At our Annual Meetings held in 2015, 2016, 2017 and 2018, we asked shareholders to vote on a proposal to amend our Certificate of Incorporation and Bylaws to permit shareholders to call special meetings under certain circumstances. Under our Certificate of Incorporation, this change required the approval by holders of 80% of our outstanding shares of common stock, yet we only received approval from 41%, 47%, 55% and 56%, respectively. In addition, in 2016, 2017 and 2018, we added another proposal to amend our Certificate of Incorporation and Bylaws to change the required approval of certain amendments to those documents relating to the ability to call a special meeting from 80% to a two-thirds voting standard. This change also required the approval by holders of 80% of our outstanding shares of common stock, and we only received approval from 46% in 2016, 54% in 2017, and 56% in 2018. In a continued effort to show our support of shareholder feedback, we are again adding these two proposals to the ballot for shareholders to approve at the 2019 Annual Meeting.

In February 2017, the Board approved amendments to our Corporate Governance Guidelines, which included a director resignation policy. Under the policy, any director who is not elected by a majority of the votes cast must tender his or her resignation to the Governance Committee, which will then recommend to the Board whether to accept or reject the resignation offer, and the Board will act on the committee's recommendation within ninety (90) days following certification of the election results. Any director who tenders his or her resignation pursuant to this provision will not participate in the proceedings of either the Governance Committee or the Board with respect to his or her own resignation offer.

In 2017, the Company received a shareholder proposal to declassify the Board. The proposal was advisory in nature and would constitute a recommendation to the Board if approved by shareholders. The Board considered the shareholder proposal and included it on the agenda for the 2018 Annual Meeting. At that meeting, the proposal received 94% of the votes cast in favor of declassifying the Board. In February 2019, the Board approved a proposal to declassify the Board and recommended that the Company's shareholders approve the proposal at the 2019 Annual Meeting.

During our shareholder outreach in the fall of 2018, we were asked to include more disclosure in our Proxy Statement under areas such as risk management, board quality/refreshment, and ESG (environment, social and governance criteria). As requested, we have undertaken to provide more disclosure on these issues throughout this Proxy Statement.

Also, in 2018, we conducted meetings and conference calls with investors and analysts and participated in invitation only investment conferences. In 2018, management conducted approximately 30 presentations, held approximately 150 one-on-one and group meetings with investors, and hosted four quarterly conference calls with investors and analysts allowing for questions and answers with management. In addition, we responded to questions from investors and analysts by telephone and email throughout the year.

We believe this combined approach has resulted in constructive feedback and input from shareholders and we intend to continue these efforts.

Key Compensation Actions Taken in 2018 and 2019

Below is a brief summary of actions taken by the Compensation Committee in 2018 and early 2019. The compensation of our named executive officers ("NEOs") for 2018 is more fully described in the *Compensation Discussion and Analysis* section of this Proxy Statement, starting on page 38 and in the compensation tables starting on page 66.

Amendments to Compensation Plans. In 2018, we made an amendment to our Annual Incentive Plan, and another amendment to our 2010 Stock Incentive Plan. In 2019, we reduced the number of factors to three with lower values and added a TSR multiplier to our Long-term Incentive Plan for the 2019-2021 plan period.

Annual Incentive Plan ("AIP")	In 2017, the AIP was amended to provide that in the event a plan participant's employment with the Company terminates before the payment date, the participant will not be eligible to receive an AIP award. In 2018, the AIP was amended to provide for an exception to allow eligibility of payment if termination is due to death or disability. The plan was formerly named "Annual Incentive Plan", but in February 2019, we renamed the plan "Short-term Incentive Plan". The changed name more accurately reflects the way the plan works, as the qualitative and discretionary factors are measured over a time period that extends beyond the calendar year. Furthermore, eligibility for payment under the plan requires that employees be on the payroll roster at the time the bonus is paid. A change in the name of the plan helps reinforce to our employees that both eligibility under the plan and the goal measurement timeframe under the plan extend beyond the calendar year. For purposes of discussions on our annual incentives throughout this Proxy Statement, we will refer to the 2018 Annual Incentive Plan as Annual Incentive Plan or AIP.
Restricted Stock Unit Awards	In 2014, we amended our Change in Control Agreements to provide for a "double-trigger" for most elements of compensation. However, equity grants under our 2010 Stock Incentive Plan remained with a single-trigger, which we felt was appropriate, in particular, for our other employees who receive equity under the plan, but who do not have change in control agreements. During the 2018 proxy season, one of the proxy advisory firms recommended voting against our say-on-pay advisory vote and cited our single-trigger under the stock plan as the reason. In 2018, we amended our 2010 Stock Incentive Plan to provide for a double-trigger.
Long-term Incentive Plan ("LTIP")	For the 2019-2021 plan period, we reduced the number of factors from four to three with target values of $90 each and made TSR performance a 10% to 250% multiplier depending on relative share performance with a cap of target if absolute returns are negative. This TSR multiplier is more fully described in the *Compensation Discussion and Analysis* section under *2019-2021 LTIP* on page 63.

Table of Contents

Proxy Statement Summary

CEO Compensation. In June 2018, the committee reviewed the Company's peer and survey data on CEO compensation and found Mr. Baker's targeted total direct compensation was between the median and 75th percentile of both survey and peer data, and thus made no changes to Mr. Baker's compensation.

Other NEO Compensation. In June 2018, the committee reviewed all other executive compensation and determined to not adjust base salaries, except for Mr. Radford, who was promoted to Senior Vice President and Chief Operating Officer in May 2018. Mr. Radford's base salary was increased from $380,000 to $416,000, effective July 1, 2018. The committee also increased Mr. Radford's restricted stock units from $345,000 to $450,000 and performance-based shares from $120,000 to $300,000. The committee reduced the value of restricted stock units awarded to Mr. Hall, from $345,000 to $300,000, and to Dr. McDonald, from $250,000 to $200,000, but increased performance-based units for each of the NEOs, except for Mr. Baker, as follows:

NEO	Prior Performance-based Shares(1) ($)	Current Performance-based Shares(2) ($)	Prior Restricted Stock Units ($)	Current Restricted Stock Units ($)
Lawrence P. Radford	120,000	300,000	345,000	450,000
Lindsay A. Hall	120,000	165,000	345,000	300,000
Dean W.A. McDonald	80,000	130,000	300,000	250,000
Robert D. Brown	50,000	130,000	200,000	200,000

(1) Based on 3-year TSR from January 1, 2017 through December 31, 2019.

(2) Based on a 3-year TSR from January 1, 2018 through December 31, 2020. See further disclosure on *Performance-based Shares* on page 56, and in the *Grants of Plan-Based Awards for 2018* table on page 68.

2018 AIP. In summary, 2018 was a year of mixed results. Our most important assets, Greens Creek and Casa Berardi, had another very successful year both in terms of record throughput, strong cash flow and in the case of Casa Berardi, gold production. Our San Sebastian mine continued its low-capital strategy, while mining lower grade oxide material, and the strike at our Lucky Friday mine continued. We completed the acquisition of Klondex Mines Ltd. in July 2018, and were successful in our exploration program, achieving record reserves for silver (10%), gold (27%) and lead (6%). Silver production was 10.4 million ounces and gold production was 262,103 ounces. When lead and zinc production are included, the overall silver equivalent production achieved was 43.6 million ounces. We had record high reserves for silver, gold and lead, and despite the Lucky Friday mine operations being suspended, our salaried workforce processed 17,309 tons at the mill, which contained approximately 169,041 ounces of silver, 673 tons of zinc and 1,131 tons of lead. Importantly, we achieved these results with a 27.5% reduction in the work-related injury reduction.

For 2018, Company performance for AIP purposes was determined by the committee to be 82% of target. This result was comprised of 39% for quantitative measures (listed below); 23% for qualitative factors; and 20% was discretionary.

2018 AIP Quantitative Measure Results	Target	Actual	Actual Performance Value	Target Performance Value
Production (Silver equivalent ounces)	44.0 mm ozs.	43.6 mm ozs.	19.8%	20%
EBITDA Less Capital(1)	$92.0 mm	$6.0 mm	0%	20%
Work-related injury reduction	2.48 (10% reduction from 2017 rate)	2.00 (27.5% reduction from 2017 rate)	18.8%	10%
Total Quantitative			**39%**	**50%**

The committee exercised negative discretion and reduced the NEOs payouts to between 50% and 64% of target compared to the company performance of 82%. All payouts of the AIP awards are paid in cash. The AIP is more fully described in the *Compensation Discussion and Analysis* section of this Proxy Statement, starting on page 49.

(1) The non-GAAP measurement of EBITDA less capital is calculated as the GAAP measure of net loss plus/less the following items: interest expense, income tax benefit, depreciation, depletion and amortization expense, interest and other income, acquisition costs, loss on investments, gain on derivatives contracts, provision for environmental matters, provisional price losses, foreign exchange gain, stock-based compensation, suspension costs, gain on disposition of properties, plants, equipment and mineral interests, and capital expenditures at our operating mines. A reconciliation of EBITDA less capital to the most comparable GAAP measure of net loss for the year ended December 31, 2018, is included in Appendix H of this Proxy Statement.

Table of Contents

Proxy Statement Summary

2016-2018 LTIP. The 2016-2018 LTIP had a maximum potential unit value of $375. The committee assessed performance under the 2016-2018 LTIP as follows:

Performance Measure	Target	Actual Performance	% of Target	Value Earned Per Unit
Silver Reserve Growth	30.0 silver oz. added (millions)	70.5 silver oz. added (millions)	235%	$75.50
Production Growth	87.0 silver equivalent oz. (millions)	91.8 silver equivalent oz. (millions)	105%	$66.25
Cash Flow	$846.7 Cash Flow (millions)	$795.3 Cash Flow (millions)	94%	$19.00
Total Shareholder Return	60% Hecla ranking vs. peers	41.7% Hecla ranking vs. peers	69%	$0
Total Earned Per Unit				**$160.75**

During this three-year period, performance in reserve growth and production growth exceeded target levels. Performance in cash flow generation was below target, but above the minimum threshold level. Total shareholder return was below the minimum threshold level. As a result, with a range in potential value per unit of $0 to $375, in February 2019, the committee determined the total 2016-2018 LTIP payout was $160.75 per unit. The committee further approved payout of the LTIP awards to be 100% in Hecla common stock issued under the 2010 Stock Incentive Plan. The 2016-2018 LTIP is more fully described in the *Compensation Discussion and Analysis* section of this Proxy Statement, starting on page 53.

CEO Pay Mix For 2018

CEO Total Direct Compensation for 2018 - $3,579,625

2018 total direct compensation for our CEO was 26% less than 2017 and 33% less than 2016. 2018 total direct compensation consisted of:

2018 Base Salary – From January 1, 2018 through December 31, 2018, base salary was $635,000.
2018 AIP Payout – $317,500 (50% of target). Paid 100% in cash.
2016-2018 LTIP Payout – $1,527,125. In June 2016, our CEO was awarded 9,500 units under our 2016-2018 LTIP. For 2018, the plan paid out $160.75 per unit, which was paid 100% in Hecla common stock.
Restricted Stock Units – In June 2018, our CEO was awarded 130,548 restricted stock units with a grant date fair value of $500,000, subject to a three-year vesting schedule (one-third in June 2019, one-third in June 2020, and one-third in June 2021).
Performance-based Shares: In June 2018, our CEO was awarded 156,658 performance-based shares with a target value of $600,000, the ultimate value of which is based on our three-year TSR ranking in a peer group (payable in 2021).

Table of Contents

CORPORATE RESPONSIBILITY

Hecla's Commitment to Corporate Responsibility

We are committed to operating in a sustainable manner and proactively working with the communities where we operate. We recognize our responsibility to operate safely in order to protect public health, our environment, and our employees and contractors, while finding and producing silver, gold, lead and zinc. Hecla's core values form the foundation for all that we do and provide a path toward sustainability.

In 2018, we engaged with several key shareholders. The feedback received from this engagement, and our commitment to corporate social responsibility, led us to take the following actions:

- published our inaugural Corporate Responsibility Report - "*Responsible Mining: Our Core Value*" at: https://www.hecla-mining.com/wp-content/uploads/2018/02/2-26-18_Hecla_Responsibility_Report_2018.pdf;
- committed to increasing the level of information available in the Responsibility section of our website on a continuous basis; and
- committed to working collaboratively with a number of third-party providers of environmental, social and governance ("ESG") reports and ratings to help improve the accuracy of our data (e.g., Sustainability Accounting Standards Board).

Some of our achievements include:

Greenhouse Gas Emissions and Air Quality

- Our operations have upgraded underground ventilation (converted from diesel to either biodiesel or electrical equipment use where possible), implemented cleaner engine technology and exhaust filtration, introduced enclosed and environmentally controlled operator cabs, and continue to require respirators in high-exposure tasks and work areas.
- Continuing to reduce lead exposure in mill operations at our mines is a priority. Annual blood tests measure employee exposure, which is minimized through personal hygiene training and the use of state-of-the-art respirators.
- We track on-site consumption of carbon-based fuels at all operating properties – including vehicle, equipment, and heating fuels, as well as those fuels used for the generation of site power. Our company-wide Scope 1 CO_2 equivalents in measured 66,600 metric tons in 2018; Scope 2 CO_2 equivalents, 20,164 metric tons. 2018 includes four mines acquired from Klondex Mines Ltd.

Water Management

- We perform water audits at each active operation to reduce freshwater use and maximize recycling.
- All water output must meet applicable federal and state (or provincial) water quality permit conditions – all monitored through a robust program of sampling, quality analyses, and audits. At one of our mines, more than 95% of the process plant water needs are met by recycling water from the tailings pond, rather than freshwater consumption.

Waste and Hazardous Waste Management

- At two of our mines 50% of tailings were returned underground as structural fill.
- Our open-pit mines are backfilled with rock and soil and will be re-established as productive agricultural lands.
- All our operations have active programs for reuse, recycling, and recovery of specific waste sources.
- Since inception 30 years ago, one of our mines has used the dry stack method for tailings management. It reduces water requirements, groundwater contamination, and reduces the risk of catastrophic dam failure and tailings runout.

For more information, see our website at: https://www.hecla-mining.com/we-safeguard-the-environment.

Table of Contents

Corporate Responsibility

Workforce and Labor Relations

Hecla believes diverse teams make innovation possible. We are committed to supporting inclusion and diversity in the next generation of talent. We are dedicated to cultivating an environment where individual differences are respected, the ability to contribute and access to employment opportunities is based on performance, skill and merit, and inappropriate attitudes, behaviors and stereotypes are confronted and eliminated. While the Company does not support the adoption of quotas, management will consider diversity as an element of the overall selection criteria of candidates.

Creating greater gender diversity in a predominantly male industry is among the priorities of Hecla in the coming years. We need to increase the representation of women, local and indigenous people (where applicable) and other diverse people throughout our workforce. As we adopt more technology and automation (e.g., in the form of driverless trucks and equipment) we will need to recruit a more digitally savvy workforce.

As at December 31, 2018, we had 1,714 employees, of which approximately 150 were female.

Health and Safety

We continue to have a strong focus on safety and that commitment is reflected in the Company's 2018 AIP metrics, where our 2018 goal was to reduce the All-Injury Frequency Rate ("AIFR") by 15%. We exceeded that goal by reducing the AIFR rate by 27.5%, and in the past six years, Hecla has reduced its AIFR rate over 60%. We are committed to continually benchmark, using publicly available data, with our peers on safety performance, best practices, and measurements.

- 63% reduction in AIFR 2013-2018
- 27.5% reduction in AIFR 2017-2018

For more information, see our website at: https://www.hecla-mining.com/we-protect-our-employees.

Energy Management

- 60% less diesel fuel consumption at one of our mines through the use of interruptible hydropower.
- 8% more loads, 17% less energy use per vehicle due to autonomous haulage and hoisting at one of our mines.
- More than $1 million in annual energy savings at one of our mines due to on-demand ventilation.
- Biomass heating project installed at one of our mines in 2014 uses discarded logs from forestry, which are burned to supplement the use of propane gas to heat the mine's surface buildings, as well as the incoming air used to ventilate the underground mine. It is expected to avoid 2,732 tons of greenhouse gas emissions per year by using biomass instead of propane.

For more information, see our website at: https://www.hecla-mining.com/we-safeguard-the-environment.

Table of Contents

Community Relations and Rights of Indigenous Peoples

We recognize that as a responsible operator, it is our obligation to respect human rights and comply with all applicable laws in the areas we operate. We also believe our corporate responsibility extends to the communities in which we conduct business – by partnering and contributing in a meaningful way to their economic and social well-being. As an example, Hecla subsidiaries have partnered with and entered into agreements with several indigenous bands in British Columbia, Quebec and Nevada. These agreements have mutual benefits, including employment, permitting, contracting, exploration and reclamation. We also identify and partner with local communities on mutually beneficial opportunities to enhance worker skills, education, and employment opportunities, and to support sustainable development initiatives.

Established in 2007, The Hecla Charitable Foundation's mission is to enhance the quality of life, and to promote the social, environmental, and economic sustainability and development – of those communities where Hecla has operations and activities. The foundation focuses its efforts in four areas: education, community programs, youth activities, and health services. Since 2009, the foundation has contributed over $2.9 million to our local communities where we have operations.

For more information, see our website at: https://www.hecla-mining.com/we-partner-with-our-communities.

Beyond the corporate social responsibility highlights above, we invite you to explore the wide range of our Environmental, Social, and Governance reporting and data available at https://www.hecla-mining.com/responsibility for further information on our commitment to corporate responsibility.

Please note that certain statistics and/or metrics contained in this section are estimates and may be based on assumptions or developing standards.

Table of Contents

CORPORATE GOVERNANCE AND RELATED MATTERS

We believe that good corporate governance practices reflect our values and support our strong strategic and financial objectives and performance. Our corporate governance practices are generally reflected in our Bylaws, Corporate Governance Guidelines, Code of Conduct, and committee charters, which can all be found at http://www.hecla-mining.com. The charters of each committee spell out the committees' roles and responsibilities assigned to each by the Board. In addition, the Board has established policies and procedures that address matters such as chief executive officer succession planning, transactions with related persons, risk oversight, communications with the Board by shareholders and other interested parties, as well as the independence and qualifications of our directors. This corporate governance section provides insights into how the Board has implemented these policies and procedures to benefit Hecla and our shareholders.

The Board's Role and Activities in 2018

Our Board acts as the ultimate decision-making body of the Company on certain fundamental matters and advises and oversees senior management, which is responsible for the day-to-day operations and management of the Company. In carrying out its responsibilities, the Board reviews and assesses Hecla's long-term strategy. During 2018, there were six meetings of the Board. Directors are expected to make every effort to attend the Annual Meeting, all Board meetings and the meetings of the committees on which they serve. All members of the Board attended last year's Annual Meeting of Shareholders, which was held in May 2018. In 2018, each director attended 100% of the meetings of the Board and the committees of which they are a member.

Role of Board in Risk Oversight

The Board is responsible for overseeing Hecla's risk management practices related to our business strategies and operations. In performing this oversight role, our Board is responsible for ensuring that the risk management processes designed and implemented by management are functioning, and that necessary steps are taken to foster a culture of risk-adjusted decision-making within Hecla. Throughout the year, our Board receives reports on strategic plans and risks facing each of our operations and the Company as a whole. These risks may include reserves, human resources, operational, financial, political, legal and regulatory compliance, information technology, and others related to the manner in which we do business. Our management is accountable for day-to-day risk management efforts. Employees who lead various risk areas report periodically to Board committees and occasionally to our full Board.

Table of Contents

Corporate Governance and Related Matters

The following are the key risk oversight and management responsibilities of our Board, its committees and management:

Board of Directors

Monitors (including through committee reports) and assesses risk exposure:

- Operational
- Legal and regulatory
- Strategic
- Reputational
- Financing, including borrowing, liquidity, capital allocation and hedging

Audit Committee

- Financial statement integrity and reporting
- Monitors internal controls
- Oversees audit work
- Monitors compliance with securities and financial regulations
- Major financing and other business risk exposures
- Information security, technology, and privacy and data protection

Governance Committee

- Monitors governance structure, policies and processes
- Legal and policy matters with potential significant reputational impact
- Shareholder concerns

Compensation Committee

- Oversees executive compensation policies and practices
- Independent compensation consultant assesses the Company's compensation arrangements to determine if their provisions and operations create undesired or unintentional risks of a material nature

Health, Safety, Environmental and Technical Committee

- Oversees operational, reserves, and other technical risks, environment, health and safety compliance, as well as risks relating to public policy initiatives

Management

- Business units identify and manage business risks
- Risk management updates provided through business reports from management are presented at meetings of the Board and its committees throughout the year

Following consideration of the information presented by management, the Board provides feedback and makes recommendations, as needed, to help minimize the Company's risk exposure. We also believe that our leadership structure, including separation of the CEO and Chairman positions and the use of executive sessions, aids the Board in risk oversight.

To the extent any risks identified by each standing committee of the Board are material or otherwise merit discussion by the whole Board, the respective committee chair will raise such risks at the next scheduled meeting of the Board, or sooner if merited.

For the foregoing reasons, we have determined that our risk oversight is appropriate in the context of our specific circumstances, risk management efforts, and the Board's administration of its oversight function.

Table of Contents

Director Independence

Our Corporate Governance Guidelines provide, among other things, that the Board will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange ("NYSE"). In determining independence each year, the Governance Committee affirmatively determines whether directors have any "material relationship" with the Company. When assessing the "materiality" of a director's relationship with the Company, the committee considers all relevant facts and circumstances, not merely from the director's standpoint, but from that of the persons or organizations with which the director has an affiliation. The committee also reviews the frequency or regularity of services or transactions between the Company and directors, whether the services or transactions are being carried out at arm's length in the ordinary course of business and whether the services or transactions are being provided substantially on the same terms to the Company as those prevailing at the time from unrelated parties for comparable services or transactions. Material relationships can include commercial, banking, industrial, consulting, legal, accounting, charitable and familial relationships. To guide its determination of whether a director is independent, the Board has adopted the following NYSE listing standards:

A director will not be independent if:

- the director is, or has been, within the last three years, our employee, or an immediate family member[(2)] is, or has been within the last three years, an executive officer;[(3)]
- the director or an immediate family member has received, during any 12-month period within the last three years, more than $120,000 in direct compensation from us, other than director and committee fees and pension and other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- the director is: (i) a current partner or employee of a firm that is our internal or external auditor; (ii) the director has an immediate family member who is a current partner of a firm that is our internal or external auditor and who personally works on the Company's audit; (iii) the director has an immediate family member who is a current employee of a firm that is our internal or external auditor and who personally works on the Company's audit; or (iv) the director or an immediate family member was within the last three years a partner or employee of a firm that is our internal or external auditor and personally worked on our audit within that time;
- the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of our present executive officers at the same time serves or served on that company's compensation committee; or
- the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, us for property or services in an amount which, in any of the last three calendar years, exceeds the greater of $1 million or 2% of such other company's consolidated gross revenues.

Pursuant to our Corporate Governance Guidelines, the committee undertook its annual review of director independence in February 2019. During this review, the committee considered transactions and relationships between each director or any member of his immediate family and Hecla and our subsidiaries and affiliates, including relationships described below and any reported on page 20 under *Certain Relationships and Related Transactions*. The committee also examined transactions and relationships between directors or their affiliates and members of our senior management or their affiliates. As provided in the Corporate Governance Guidelines, the purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the director is independent.

(2) An "immediate family member" includes a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than domestic employees) who shares such person's home.

(3) The term "executive officer" has the same meaning specified for the term "officer" in Rule 16a-1(f) under the Exchange Act, or any successor rule.

Table of Contents

Based upon an assessment of all facts and circumstances known to the committee, including, among other things, a review of questionnaires submitted by our directors, the committee and the Board affirmatively determined that the following directors are independent of the Company and its management under the standards set forth by the NYSE:

Ted Crumley	Stephen F. Ralbovsky
Catherine J. Boggs	Terry V. Rogers
George R. Johnson	Charles B. Stanley
George R. Nethercutt, Jr.	

Messrs. Stanley and Baker both served as members of the board of directors of QEP Resources, Inc., until Mr. Stanley's retirement in January 2019. The committee reviewed this relationship with the Board, and the Board made the affirmative decision that this relationship did not disqualify Mr. Stanley from being independent. Neither Mr. Baker nor Mr. Stanley served on the Compensation Committee of either Hecla or QEP Resources, Inc.

Mr. Baker is our President and CEO. As such, he cannot be deemed independent under the NYSE listing standards.

Directors are expected to immediately inform the Board of any material change in their circumstances or relationships that may impact their independence.

Retirement Age

The Company has no current retirement plan for non-management directors. Our Bylaws and Corporate Governance Guidelines provide that directors will not be nominated for re-election after their 75^{th} birthday.

As of December 31, 2018, the average age of members of our Board was approximately 67 and the average tenure of our Board was approximately 11 years.

Family Relationships

There are currently no family relationships between the directors or executive officers of Hecla.

Board Leadership and Executive Sessions

Currently, the positions of CEO and Chairman of the Board ("Chairman") are held by separate persons. The Board believes this structure is optimal for the Company at this time because it allows the CEO to focus on leading the Company's business and operations, and the Chairman to serve as a sounding board and advisor to the CEO, and to lead the activities of the Board. The Board has also determined that having a non-management director serve as Chairman is in the best interest of shareholders. This structure ensures a greater role for the independent directors in the oversight of the Company and it enhances the Board's independence and, we believe, senior management's accountability to the Board.

In the future, if the individual elected as Chairman is the CEO, the independent directors will elect an Independent Lead Director for a one-year term. This would help ensure continued robust independent leadership of the Board.

Currently, our Chairman, Mr. Ted Crumley, chairs meetings of the Board, as well as the executive sessions with independent members of the Board. His duties include chairing annual meetings of shareholders, overseeing the preparation of agendas for Board meetings, preparing for executive sessions of the Board and providing feedback to the CEO, staying current on developments to determine when it may be appropriate to alert the Board to significant pending developments, serving as a liaison between independent directors and the CEO with respect to sensitive issues, and other matters. Executive sessions of independent directors are included on the agenda for every regularly scheduled Board meeting and during 2018, executive sessions were held at each regularly scheduled Board meeting. The executive sessions are chaired by the Chairman. Our independent directors meet in executive sessions without management present, unless the independent directors request their attendance. For the foregoing reasons, we have determined that our leadership structure is appropriate in the context of our specific circumstances.

Director Orientation and Continuing Education

Upon joining the Board, new directors undergo a comprehensive orientation program that introduces them to the Company, including our business operations, strategy, financial position, key members of management and corporate governance. This program is considered a valuable part of the director onboarding process. Directors also are encouraged to enroll in director education programs. To enhance the Board's understanding of some of the unique issues affecting our mining operations, directors have contact with leaders throughout the organization and are regularly invited to visit our mine sites, where they tour the facilities and interact directly with the personnel responsible for our day-to-day operations. These activities collectively help to ensure that the Board remains knowledgeable about the most important issues affecting our Company and its business.

Our Board's Commitment to Shareholder Engagement

Why and how we engage. Our Board and management team recognize the benefits of regular engagement with our shareholders in order to remain attuned to their different perspectives on matters affecting Hecla. Dialogue and engagement efforts allow our Board and management the opportunity to:

- discuss developments in our business and provide transparency and insight about our strategy and performance; and
- assess issues that may affect our business, corporate responsibility and governance practices.

1 Investor Relations and Senior Management

We provide institutional investors, proxy advisors and equity analysts with opportunities and events to engage with and provide feedback to our senior management.

Our senior management participates in formal industry conferences, analyst conferences and non-deal roadshows.

To learn more about our engagement with institutional investors, please visit our website at *http://ir.hecla-mining.com/Presentations*.

2 Shareholder Engagement

During October and November 2018, our management team (excluding the CEO) engaged with investors representing nearly 11% of our shareholder base, and with two proxy advisory firms.

3 Board Involvement

Because of this outreach, we deliver our shareholders' views and specific feedback to the Board and respective committees.

4 Outcome from Investor Feedback

Some tangible examples of the results of our 2018 shareholder outreach activities include:

- enhanced disclosure on our LTIP;
- enhanced disclosure on our ESG endeavors; and
- inclusion of Proposals 5, 6 and 7 for our shareholders to vote on.

Board and Committee Evaluations

Our Board recognizes that a thorough, constructive evaluation process enhances our Board's effectiveness and is an essential element of good corporate governance. Accordingly, every year, our Board and each committee of the Board conducts a self-evaluation of its performance and effectiveness. Our Board and committee evaluations cover the following topics:

- Board and committee composition, including skills, background and experience;
- Review of key areas of focus for the Board and committees, and effectiveness in overseeing those responsibilities;
- Satisfaction of director performance, including that of the Board chair;
- Board and committee information needs, and quality of materials presented;
- Areas where the Board should increase its focus;
- Satisfaction with the Board and committee schedules, agendas, time allocated for topics and encouragement of open communication and discussion;
- Access to management, experts and internal and external resources;

- Oversight of financial reporting process and internal control procedures;
- Ethics and compliance;
- Company's strategic direction and annual operating plan;
- Succession planning;
- Selection and evaluation process of Board candidates; and
- Understanding risks.

Evaluation Process

1 Corporate Governance Review

In 2017, we re-examined our evaluation process to ensure that the process allows directors the opportunity to provide actionable feedback on the functioning of the Board as a whole. As a result, the evaluation process was conducted on an anonymous basis, using our board portal. We continued this same process in 2018.

2 Annual Board and Committee Evaluations

The Board and each committee conduct annual evaluations through the use of an electronic questionnaire that covers the topics discussed above.

3 Summary of Evaluations

Hecla's Secretary aggregates and summarizes our directors' responses to the questionnaires, highlighting comments. Responses are not attributed to specific Board or committee members to promote candor.

4 Board and Committee Review

Using the questionnaires and summaries as guides, our chairperson of the Governance Committee reviews the results of the Board evaluation and each committee chairperson reviews the results of each committee evaluation. The evaluations and summaries are shared and discussed with the full Board and each committee. The Board and committees assess the progress in the areas targeted for improvement a year earlier and develop actions to take to enhance the Board and committee's effectiveness over the next year.

Committees of the Board and Committee Assignments

The Board has five standing committees: Audit; Compensation; Governance; Health, Safety, Environmental and Technical; and Executive. Information regarding these committees is provided below. Except for the Executive Committee, all committees are composed entirely of independent directors. The charters of each committee (other than Executive) are available on our website at https://www.hecla-mining.com under "Investors" by selecting "Corporate Governance." You may also obtain copies of these charters by contacting the Company's Investor Relations Department. The members of the Board as of the date of this Proxy Statement, and the committees of the Board on which they serve, are identified below, along with the number of meetings held in 2018.

Executive Committee Members	Functions of the Committee	Meetings in 2018
Phillips S. Baker, Jr., Chair Ted Crumley Terry V. Rogers	empowered with the same authority as the Board in the management of our business, except for certain matters enumerated in our Bylaws and Delaware law, which are specifically reserved to the whole Board	None

Audit Committee Members(1),(2),(3)	Functions of the Committee	Meetings in 2018
Stephen F. Ralbovsky, Chair George R. Johnson Charles B. Stanley Catherine J. Boggs	assist the Board in fulfilling its oversight responsibilities review the integrity of our financial statements review the independent auditor's qualifications and independence review the performance of our internal auditor and the independent auditor review our compliance with laws and regulations, including disclosure controls and procedures review the financial risks please refer to "Report of the Audit Committee" on page 35	6

Compensation Committee Members(2)	Functions of the Committee	Meetings in 2018
Terry V. Rogers, Chair Ted Crumley George R. Nethercutt, Jr. Catherine J. Boggs	approve the compensation design approve compensation levels and programs for the executive officers, including the CEO administer our stock-based plans please refer to the "Compensation Discussion and Analysis" on page 41	5

Governance Committee Members(2)	Functions of the Committee	Meetings in 2018
George R. Nethercutt, Jr., Chair Charles B. Stanley Stephen F. Ralbovsky Catherine J. Boggs	consider matters of corporate governance periodically review our Corporate Governance Guidelines, Code of Conduct, and other corporate procedures to ensure compliance with laws and regulations review any director candidates, including those nominated or recommended by shareholders identify individuals qualified to become directors consistent with criteria approved by the Board recommend to the Board the director nominees for the next annual meeting of shareholders, any special meeting of shareholders, or to fill any vacancy on the Board review the appropriateness of the size of the Board relative to its various responsibilities recommend committee assignments and committee chairpersons for the standing committees for consideration by the Board	3

Health, Safety, Environmental and Technical Committee Members	Functions of the Committee	Meetings in 2018
Charles B. Stanley, Chair Terry V. Rogers Stephen F. Ralbovsky George R. Johnson	review the operational and exploration performance review the operational, reserve and other technical risks review and monitor health, safety and environmental policies review the implementation and effectiveness of compliance systems review the effectiveness of health, safety and environmental policies, systems and monitoring processes review audit results and updates from management with respect to health, safety and environmental performance review emerging health, safety and environmental trends in legislation and proposed regulations affecting the Company review the technical activities of the Company make recommendations to the Board concerning the advisability of proceeding with the exploration, development, acquisition or divestiture of mineral properties and/or operations	4

(1) The Board has determined that each of the members of the Audit Committee is financially literate and Messrs. Ralbovsky and Stanley each qualify as an audit committee "financial expert" as defined by Securities and Exchange Commission ("SEC") rules.

(2) Each member of the Audit, Compensation, and Governance Committee satisfies the definition of "independent director" as established in the NYSE listing standards and SEC rules.

(3) No members on the Audit Committee serve on the audit committee of any other public companies.

Diversity

While the Board has not adopted a formal policy on diversity, the Company's Corporate Governance Guidelines provide that, as a whole, the Board should include individuals with a diverse range of experience to give the Board depth and breadth in the mix of skills represented. The Board seeks to include an array of skills and experience in its overall composition rather than requiring every director to possess the same skills, perspective, and interests. This guideline is implemented by seeking to identify candidates who bring diverse skill sets, backgrounds, and experiences, including ethnic and gender diversity, to the Board when director candidates are needed.

Table of Contents

Corporate Governance and Related Matters

Director Communications

Shareholders or other interested parties wishing to communicate with the Chairman or with the independent directors as a group may do so by delivering or mailing the communication in writing to: Chairman of the Board, c/o Corporate Secretary, Hecla Mining Company, 6500 N. Mineral Drive, Suite 200, Coeur d'Alene, Idaho 83815-9408. Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of our internal auditor and handled in accordance with procedures established by the Audit Committee with respect to such matters. From time to time, the Board may change the process by which shareholders may communicate with the Board or its members. Please refer to our website at http://www.hecla-mining.com under the tab entitled "Investors" and then select the tab entitled "Corporate Governance" for any changes in this process.

Succession Planning

Considering the critical importance of executive leadership to the Company's success, the Compensation Committee is charged with the responsibility of developing a process for identifying and evaluating candidates to succeed our CEO and to report annually to the Board on the status of the succession plan. The committee also addresses issues related to the preparedness for the possibility of an emergency situation involving senior management and an assessment of the long-term growth and development of the senior management team.

The CEO and Director of Human Resources communicate with the committee regularly regarding succession planning. The committee reviews recommended candidates for senior management positions as part of the process to identify and gauge the availability of qualified candidates for those positions and receives reports concerning development plans that are utilized to strengthen the skills and qualifications of the candidates. The criteria used when assessing the qualifications of potential CEO successors include, among others, strategic vision and leadership, operational excellence, financial management, executive officer leadership development, ability to motivate employees, and an ability to develop an effective working relationship with the Board.

In conjunction with our succession reviews, management also reviews potential successors for the top management roles across Hecla.

Our Corporate Governance Guidelines provides that in the event of the death, resignation, removal or incapacitation of the President and CEO, the Chairman will act as the President and CEO until a successor is duly elected. In addition, our Corporate Governance Guidelines and Bylaws provide that in the event of the death, resignation, removal or incapacitation of our current Chairman, the President and CEO will act as Chairman until his successor is duly elected.

Electronic Access to Corporate Governance Documents

Our corporate governance documents are available by accessing our website at http://www.hecla-mining.com under the tab entitled "Investors" and then selecting the tab entitled "Corporate Governance." These include:

- Corporate Governance Guidelines;
- Whistleblower Policy;
- Charters of the Audit, Compensation, Governance, and Health, Safety, Environmental and Technical Committees of the Board;
- Code of Ethics for our Chief Executive Officer and Senior Financial Officers; and
- Code of Conduct.

The information on our website is not incorporated by reference into this Proxy Statement.

Shareholders may also request a free copy of these documents from: Investor Relations, Hecla Mining Company, 6500 N. Mineral Drive, Suite 200, Coeur d'Alene, Idaho 83815-9408; (208) 769-4100.

Corporate Governance Guidelines

The Corporate Governance Guidelines were adopted by the Board to ensure that the Board is independent from management, that the Board adequately performs its function as the overseer of management, and to help ensure that the interests of the Board and management align with the interests of our shareholders. In February 2017, the Governance Committee recommended and the Board approved amendments to the Corporate Governance Guidelines to include a director resignation policy. The policy provides that any director who is not elected by a majority of votes cast shall tender his or her resignation to the committee. The committee will recommend to the Board whether to accept or reject the resignation offer, or whether other action should be taken. In determining whether to recommend that the Board accept any resignation offer, the committee will consider all factors believed relevant by it. The Board will act on the committee's recommendation within ninety (90) days following certification of the election results. In deciding whether to accept the resignation offer, the Board will consider the factors considered by the committee and any additional information and factors that the Board finds relevant. If the Board accepts a director's resignation offer pursuant to this process, the committee will recommend to the Board and the Board will thereafter determine whether to fill such vacancy or reduce the size of the Board. Any director who tenders his or her resignation pursuant to this provision will not participate in the proceedings of either the committee or the Board with respect to his or her own resignation offer. If a director's resignation is not accepted by the Board, the director shall continue to serve until the next annual meeting of shareholders or until his or her successor is duly elected and qualified, or his or her earlier resignation or removal.

Code of Conduct

We believe that operating with honesty and integrity has earned trust from our shareholders, credibility within our communities and dedication from our employees. Our directors, officers and employees are required to abide by our Code of Conduct to promote the conduct of our business in a consistently legal and ethical manner. Our Code of Conduct covers many topics, including conflicts of interest, confidentiality, fair dealing, proper use of the Company's assets, and compliance with laws, rules and regulations. In addition to the Code of Conduct for directors, officers and employees, our CEO, Chief Financial Officer and Controller are also bound by a Code of Ethics for the Chief Executive Officer and Senior Financial Officers.

The Governance Committee has adopted procedures to receive, retain, and react to complaints received regarding possible violations of the Code of Conduct, and to allow for the confidential and anonymous submission by employees of concerns regarding possible violations of the Code of Conduct. Our employees may submit any concerns regarding apparent violations of the Code of Conduct to their supervisor, our General Counsel, the Chair of the Governance Committee, or through an anonymous telephone hotline.

Whistleblower Policy

We have a Whistleblower Policy adopted by our Audit Committee that encourages our employees to report to appropriate Company representatives, without fear of retaliation, certain accounting information relating to possible fraud. Our employees may submit any concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters to the Audit Committee, our General Counsel, or through an anonymous telephone hotline or website. The goal of this policy is to discourage illegal activity and business conduct that damages Hecla's reputation, business interests, and our relationship with shareholders.

Table of Contents

Certain Relationships and Related Transactions

On a quarterly basis, we review all relationships and transactions with related persons to determine whether such persons have a direct or indirect material interest. Transactions with related persons are those that involve our directors, executive officers, director nominees, greater than 5% shareholders, immediate family members of these persons, or entities in which one of these persons has a direct or indirect material interest. Transactions that are reviewed as related party transactions by us are transactions that involve amounts that would exceed $120,000 (the current threshold required to be disclosed in the Proxy Statement under SEC regulations) and certain other transactions. Pursuant to our Code of Conduct, employees and directors have a duty to report any potential conflicts of interest to the appropriate level of management or to the Governance Committee. We evaluate these quarterly reports along with responses to our annual director and officer questionnaires for any indication of possible related party transactions. Our legal staff is primarily responsible for the development and implementation of processes and controls to obtain information from the directors and executive officers with respect to related party transactions. If a transaction is deemed by us to be a related party transaction, the information regarding the transaction is discussed with the Board. As required under the SEC rules, transactions that are determined to be directly or indirectly material to Hecla or a related party are disclosed in our Proxy Statement.

In December 2007, we created the Hecla Charitable Foundation (the “HCF”), which has provided and intends to continue to provide grants to other organizations for charitable and educational purposes. Messrs. Phillips S. Baker, Jr. and Dr. Dean W.A. McDonald (our Chief Executive Officer and our Senior Vice President – Exploration, respectively) serve as directors of the HCF, and Luther J. Russell (our Vice President – External Affairs) serves as President and as a director of the HCF. In December 2007, our Board approved a contribution of 550,000 shares of our common stock to the HCF. Since 2007, the HCF has sold 279,860 shares of our common stock. Cash contributions totaling $2.0 million and $1.5 million were made by the Company to the HCF during 2011 and 2010, respectively. The funds from the sale of the shares and the additional cash were put into various investment accounts. The HCF is currently operating in a self-sufficient manner. We gave no additional funds to the HCF during 2018. The HCF holds 270,140 shares of our common stock as of December 31, 2018. The value of those shares based on the closing price of our common stock on the NYSE on December 31, 2018 ($2.36), was $637,530. In 2018, the HCF gave $356,736 in donations.

In 2018, we did not make any contribution to any charitable organization, of which a director served as an executive officer, which exceeded the greater of $1 million or 2% of the charitable organization’s consolidated gross revenues.

Political Contributions and Engagement

Government policy is one of the most powerful external forces affecting us today. New laws and changes to existing laws can fundamentally impact the Company's operations and the markets where it does business – and in turn, our bottom line, thereby affecting us and our employees, retirees, communities and shareholders. It is important for government leaders to understand the impact of such actions. Because the impact of government policy is so critical to our survival and success, we participate in the political process and advocate in a responsible and constructive manner on issues that advance the Company's goals and protect shareholder value. We are committed to the highest standard of ethical conduct in our involvement in policymaking and political process. We maintain the Hecla Mining Company Political Action Committee ("Hecla PAC"), which is a forum for our employees and directors to voluntarily contribute to a fund that supports the election of candidates to Congress that support a regulatory and legislative environment constructive to the operation and development of our mines. Decisions about contributions to specific federal candidates are made by members of the Hecla PAC. In total, our employees contributed approximately $19,861 to the Hecla PAC in 2018, and the Hecla PAC contributed those funds to federal candidates, state and local parties, and associations who are advocates for the natural resources industry.

Board of Directors Selection Process

Our Bylaws require the Board to have not less than five nor more than nine members. The size of the Board may be increased or decreased within that range from time-to-time by resolution approved by the affirmative vote of a majority of the Board. On May 25, 2017, the Board decreased the size of the Board from nine members to eight members due to the retirement of one of its directors.

Identifying and Evaluating Nominees for Director

Director Selection Process

1 Candidate Recommendations	2 Governance Committee	3 Board of Directors	4 Shareholders
From shareholders, management, directors and search firms	Evaluates the Board's needs and screens and interviews candidates Reviews qualifications and expertise, tenure, regulatory requirements and diversity Recommends nominees	Discusses, analyzes independence and selects nominees	Votes on nominees at annual meeting

The Governance Committee uses a variety of methods for identifying and evaluating nominees for director. The committee is responsible for ensuring that the composition of the Board accurately addresses the needs of our business. In the event vacancies are anticipated, or arise, the committee considers various potential candidates for director. Candidates may come to the attention of the committee through current Board members, professional search firms, shareholders or other persons. Consideration of new director nominee candidates typically involves a series of internal discussions, review of information concerning candidates and interviews with selected candidates. The committee then determines the best qualified candidates based on the established criteria and recommends those candidates to the Board for election.

While the committee and our Board prioritize maintaining a board that is comprised of directors with a diverse set of skills, experiences, and perspectives, they also recognize the importance of balancing these qualifications with the overall tenure of directors in their long-term approach to board refreshment. The fresh viewpoints and philosophies newer directors bring, coupled with the valuable experience and institutional knowledge the longer-tenured directors possess, benefits the Board and its overall contribution to the Company.

Table of Contents

Corporate Governance and Related Matters

The Board has appointed three highly-qualified directors since 2016 who bring insight to areas such as mining, international business, acquisitions, operations, legal, risk management, geology, engineering, finance and tax. To supplement our newer directors, our longer-tenured directors have extensive knowledge of our operations and have the perspective of overseeing our business activities through economic cycles and across differing competitive environments.

We hold the view that the continuing service of qualified incumbents promotes stability and continuity in the boardroom, contributing to the Board's ability to work as a collective body, while giving us the benefit of familiarity and insight into our affairs that our directors have accumulated during their tenure. Recent additions to the Board provide new perspectives, while directors who have served for a number of years bring experience, continuity, institutional knowledge, and insight into the Company's business and industry. Directors with relevant business and leadership experience provide the Board a useful perspective on business strategy and significant risks and an understanding of the challenges facing the business. Accordingly, the process for identifying nominees reflects our practice of re-nominating incumbent directors who (i) continue to satisfy the committee's criteria for membership on the Board, (ii) the committee believes continue to make important contributions to the Board, and (iii) consent to continue their service on the Board. Directors should also be able to commit the requisite time for preparation and attendance at regularly scheduled Board and committee meetings, as well as be able to participate in other matters necessary to ensure good corporate governance is practiced.

The committee reviews annually with the Board the composition of the Board as a whole and recommends, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole and contains at least the minimum number of independent directors required by applicable laws and regulations. Board members should possess such attributes and experience as are necessary for the Board as a whole and contain a broad range of personal characteristics, including diversity of backgrounds, management skills, mining, accounting, finance and business experience. Summarized below is a description of why each core competency is important for service on Hecla's Board.

Description of Skills, Core Competencies and Attributes

Senior Leadership Experience
Experience serving as CEO or a senior executive, as well as hands-on leadership experience in core management areas, such as strategic and operational planning, financial reporting, compliance, risk management and leadership development, provides a practical understanding of how organizations like Hecla function. Seven of our directors have senior leadership experience.

Industry and Mining
Having experience in our industry or a similar industry contributes to a deeper understanding of our business strategy, operations, key performance indicators and competitive environment. All our directors have experience in mining or a similar industry.

Finance
We believe that an understanding of finance and financial reporting processes is important for our directors to monitor and assess the Company's operating and strategic performance and to ensure accurate financial reporting and robust controls. It is important to have experience in capital markets, corporate finance, accounting and financial reporting and several of our director's satisfy the "accounting or related financial management experience" criteria set forth in the NYSE listing standards. Four of our directors satisfy the Audit Committee "financial expert" criteria set forth in regulations of the SEC. Seven of our directors have financial knowledge.

Risk Management
In light of the Board's role in risk oversight, we seek directors who can contribute to the identification, assessment and prioritization of risks facing the Company. All our directors have experience with our business to understand key areas of risk.

Legal and Compliance
Hecla is subject to a broad array of government regulations. Mining is impacted by changes in law or regulation in areas such as safety, environmental and disclosure. Several of our directors have experience in regulated industries, providing them with insight and perspective in working constructively and proactively with governments and agencies. Four of our directors have formal legal education and understand the legal risks and obligations of the Company.

Geology, Mining and Engineering
It is important that some of our Board members have experience in open-pit and underground mines, as well as knowing the science and technology of extracting minerals, exploration, geology, metallurgy, and geotechnical engineering experience. Two of our directors have experience managing mining operations. One of our directors has experience in geology.

CEO and Company Administration
These skills are important to gain a practical understanding of organizations and drivers of individual growth and development. Seven of our directors have had some experience in the administration of a multijurisdictional company. Two of our directors have experience as a chief executive officer.

Table of Contents

Corporate Governance and Related Matters

Description of Skills, Core Competencies and Attributes

Corporate Governance & Responsibility
Experience with governance principals or corporate responsibility initiatives, including sustainability, diversity and inclusion. All our directors have had experience in governance and corporate responsibility.

Board Service on Public Companies
We value individuals who understand public company reporting responsibilities and have experience with the issues commonly faced by public companies. Five of our directors have served on boards of other public companies.

International Business
With operations in Mexico and Canada and prospects for further expansion, international experience helps us understand opportunities and challenges. All our directors have had international business experience.

Industry Association Participation/Reputation in the Industry
Experience in organizations that support companies and employers of the mining industry and protects their rights. Three of our directors have chaired an industry organization. Five of our directors have a long and highly regarded reputation in the industry.

Strategic Planning, Business Development, Business Operations
Experience defining and driving strategic direction and growth and managing the operations of a business or large organization. All our directors have experience in setting and managing the strategic direction of a business.

Summary of Director Qualifications and Experience

Director Qualifications and Experience	Baker	Boggs	Crumley	Johnson	Nethercutt	Ralbovsky	Rogers	Stanley
Audit Committee Financial Expert								
Board Service on Public Companies								
CEO and Company Administration								
Corporate Governance & Responsibility								
Finance								
Geology, Mining and Engineering								
Industry and Mining								
Industry Association Participation								
International Business								
Senior Leadership								
Legal and Compliance								
Reputation in the Industry								
Risk Management								
Strategic Planning, Business Development, Business Operations								

In general, and as more fully outlined in our Bylaws and Corporate Governance Guidelines, in evaluating director candidates for election to our Board, the Governance Committee will: (i) consider if the candidate satisfies the minimum qualifications for director candidates as set forth in the Corporate Governance Guidelines; (ii) consider factors that are in the best interests of the Company and its shareholders, including the knowledge, experience, integrity and judgment of each candidate; (iii) consider the contribution of each candidate to the diversity of backgrounds, experience and competencies which the Board desires to have represented, with such diversity being considered among the other desirable attributes of the Board; (iv) assess the performance of an incumbent director during the preceding term; (v) consider each candidate's ability to devote sufficient time and effort to his or her duties as a director; (vi) consider a candidate's independence and willingness to consider all strategic proposals; (vii) consider any other criteria established by the Board and any core competencies or technical expertise necessary to manage and direct the affairs and business of the Company, including, when applicable, to enhance the ability of committees of the Board to fulfill their duties; and (viii) determine whether there exists any special, countervailing considerations against nomination of the candidate.

Independence

The Board has determined that all directors, other than Mr. Baker, meet the independence standards set by the NYSE.

Tenure

The average tenure of our directors is approximately 11 years, which reflects a balance of company experience and new perspectives.

Age

51 – 60
61 – 70
71 – 75
Average Age: 67

Diversity

The Board is committed to achieving a diverse and broadly inclusive membership.

Table of Contents

Shareholder Nominees

The Governance Committee will consider persons recommended by shareholders as nominees for election as directors. Our Bylaws provide any shareholder who is entitled to vote for the election of directors at a meeting called for such purpose may nominate persons for election to the Board by following the procedures set forth on page 106. Shareholders who wish to submit a proposed nominee to the committee should send written notice to the Governance Committee Chairman, c/o Corporate Secretary, Hecla Mining Company, 6500 N. Mineral Drive, Suite 200, Coeur d'Alene, Idaho 83815-9408, within the time period set forth on page 106. The notification should set forth all information relating to the nominee that is required to be disclosed in solicitations of proxies for elections of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended ("Exchange Act"), including the nominee's written consent to being named in the Proxy Statement as a nominee and to serving as a director if elected; the name and address of the shareholder or beneficial owner making the nomination or on whose behalf the nomination is being made; and the class and number of shares of stock of the Company owned beneficially and of record by such shareholder or beneficial owner. The committee will consider shareholder nominees on the same terms as nominees selected by the committee.

Regardless of how a candidate is brought to the committee, qualified candidates are subjected to one or more interviews with appropriate members of the Board. Chosen candidates are extended invitations to join the Board. If a candidate accepts, he or she is formally nominated.

Director Qualifications, Evaluation, and Nomination

The Governance Committee believes nominees for election to the Board should also possess certain minimum qualifications and attributes. The nominee must: (i) exhibit strong personal integrity, character and ethics, and a commitment to ethical business and accounting practices; (ii) not be involved in ongoing litigation with the Company or be employed by an entity engaged in such litigation; and (iii) not be the subject of any ongoing criminal investigations in the jurisdiction of the United States or any state thereof, including investigations for fraud or financial misconduct.

In connection with the director nominees who are up for re-election at the Annual Meeting, the committee also considered the nominees' roles in: (i) overseeing the Company's efforts in complying with its SEC disclosure requirements; (ii) assisting in improving the Company's internal controls and disclosure controls; (iii) assisting with the development of the strategic plan of the Company; and (iv) working with management to implement the Company's strategic goals and plans. Directors are expected to exemplify high standards of personal and professional integrity and to constructively challenge management through their active participation and questioning. Our Bylaws and Corporate Governance Guidelines provide that directors will not be nominated for re-election after their 75th birthday.

In addition to fulfilling the above criteria, each nominee for election to the Board at the upcoming Annual Meeting brings a strong and unique background and set of skills to the Board, giving the Board competence and experience in a wide variety of areas, including corporate governance, executive management, legal, accounting, finance, mining, exploration and board service. The committee has reviewed the nominees' overall service to the Company during their terms, including the number of meetings attended, level of participation and quality of performance.

Table of Contents

PROPOSAL 1
Election of Class III Directors

In accordance with our Certificate of Incorporation, the Board is divided into three classes. The terms of office of the directors in each class expire at different times. There are three Class III directors whose terms will expire at the 2019 Annual Meeting: Ted Crumley, Terry V. Rogers and Charles B. Stanley.

At a meeting held by the Governance Committee in February 2019, the committee determined the directors whose terms are expiring – Messrs. Crumley, Rogers and Stanley - were qualified candidates to stand for re-election at the Annual Meeting, and the Board designated each as nominees for re-election as directors of the Company, each for a three-year term expiring in 2022. Each nominee has accepted the nomination and agreed to serve as a director if elected by the Company's shareholders.

It is intended that the proxies solicited hereby from our shareholders that do not provide voting instructions will be voted **FOR** the election of Ted Crumley, Terry V. Rogers and Charles B. Stanley. The Board knows of no reason why the nominees will be unable or unwilling to accept election. However, if any nominee becomes unable or is unwilling to accept election, the Board will either reduce the number of directors to be elected or select substitute nominees submitted by the committee. If substitute nominees are selected, proxies that do not provide voting instructions will be voted in favor of such nominees.

Biographical Information

Set forth below is biographical information for each of the director nominees, including the key qualifications, experience, attributes, and skills that led our Board to the conclusion that each of the director nominees should serve as a director. There are no family relationships among any of our directors or executive officers.

Our Board includes individuals with strong backgrounds in executive leadership and management, legal, accounting and finance, and Company and industry knowledge, and we believe that, as a group, they work effectively together in overseeing our business.

Table of Contents

Proposal 1 – Election of Class III Directors

Current Class III Nominees for Election to the Board – Term Ending at the 2019 Annual Meeting

If elected, the nominees will each serve for a three-year term ending in 2022. The nominees are as follows:

Ted Crumley

Former Executive Vice President
and Chief Financial Officer
OfficeMax Incorporated

Age: 74
Director since: 1995
Board Chairman since: 2006
Other Directorships:
None

Hecla Committees:
Executive
Compensation

Mr. Crumley served as the Executive Vice President and Chief Financial Officer of OfficeMax Incorporated, a distributor of office products, from January 2005 until his retirement in December 2005. He was also Senior Vice President of OfficeMax Incorporated from November 2004 to January 2005; and Senior Vice President and Chief Financial Officer of Boise Cascade Corporation, a manufacturer of paper and forest products, from 1994 to 2004.

Board Qualification and Skills:

High Level of Financial Experience: Substantial financial experience gained from a long career with OfficeMax Incorporated and Boise Cascade Corporation.

Senior Leadership/Executive Officer Experience: Has over 30 years' experience in management, finance and accounting in the natural resources industry. Served in numerous senior leadership positions, including Executive Vice President and Chief Financial Officer of OfficeMax Incorporated and Senior Vice President and Chief Financial Officer of Boise Cascade Corporation.

Significant Public Company Board Experience: Over 23 years' service on Hecla's Board, including as Chairman since 2006.

Extensive Knowledge of the Company's Business and Industry: With over 23 years of service on Hecla's Board, Mr. Crumley understands all aspects of our business, including the mining elements.

Designations: Mr. Crumley received his Bachelor of Business Administration with a major in Accounting from Idaho State University College of Business in 1969.

Terry V. Rogers, C. Dir., H.R.C.C.C.

Former Senior Vice President and
Chief Operating Officer
Cameco Corporation

Age: 72
Director since: 2007
Other Directorships:
None

Hecla Committees:
Compensation (Chair)
Health, Safety, Environmental and Technical
Executive

Mr. Rogers served as Senior Vice President and Chief Operating Officer of Cameco Corporation, a uranium producer, from February 2003 until his retirement in June 2007. He was the former President of Kumtor Operating Company, a gold producing company and a division of Cameco Corporation, from 1999 to 2003 and served on the Board of Directors of Centerra Gold Inc., a Canadian gold mining company, and its predecessor company, Cameco Gold, from February 2003 to May 2018.

Board Qualification and Skills:

Senior Leadership/Executive Officer Experience: Has experience in management in the mining industry. Served in numerous senior leadership positions, including Senior Vice President and Chief Operating Officer of Cameco Corporation, and former President of Kumtor Operating Company (a subsidiary of Cameco Corporation).

Significant Public Company Board Experience: In addition to serving on the Board of Hecla, has over 15 years of service on the Board of Centerra Gold Inc., including serving as chairman of the human resources and compensation committee, and as a member of the audit committee.

High Level of Operational and Industry Experience: Over 30 years' experience in the mining industry, including, open-cast, open-pit and underground operations in coal, gold, and uranium mines around the world.

Designations: Mr. Rogers received an Associate degree in Applied Science from the Superior Technical Institute in Wisconsin in 1972. He also obtained a Chartered Director (C. Dir.) designation from The Directors College in 2011, as well as a Human Resources and Compensation Committee Certified (H.R.C.C.C.) designation from The Directors College in 2013.

Table of Contents

Proposal 1 – Election of Class III Directors

Charles B. Stanley

Former Chief Executive Officer, President and Chairman of the Board
QEP Resources, Inc.

Age: 60
Director since: 2007
Other Directorships: None

Hecla Committees:
Health, Safety, Environmental and Technical (Chair)
Audit
Corporate Governance and Directors Nominating

Mr. Stanley was Chief Executive Officer and President of QEP Resources, Inc., a natural gas and oil exploration and production company, from May 2010 until his retirement in January 2019. He was also Chairman of the Board of QEP Resources, Inc. from May 2012 until his retirement in January 2019. He also served as Chairman, Chief Executive Officer, President and Director of QEP Midstream Partners LP, a master limited partnership that owns, operates, acquires and develops midstream energy assets, from May 2013 to December 2014. Mr. Stanley also served as Chief Operating Officer of Questar Corporation, a Western U.S. natural gas-focused exploration and production, interstate pipeline and local distribution company, from March 2008 to June 2010.

Board Qualification and Skills:

High Level of Financial Experience: Substantial financial experience gained from QEP Resources, Inc., Questar Corporation and prior companies.

Extensive Senior Leadership/Executive Officer Experience: In addition to his former position as Chief Executive Officer and President of QEP Resources, Inc., Mr. Stanley served in numerous other senior leadership positions, including Chief Executive Officer and President of QEP Midstream Partners, LP, and Chief Operating Officer of Questar Corporation.

Significant Public Company Board Experience: In addition to serving on the Board of Hecla, he served on the board of QEP Resources, Inc. the past eight years and as Chairman of the Board, until his retirement in January 2019. Prior to serving on QEP's board, Mr. Stanley served on the board of Questar Corporation for eight years. He has served on the boards of various natural gas industry trade organizations.

Extensive Knowledge of the Company's Business: Over 35 years' experience in the international and domestic upstream and midstream oil and gas industry. He is a geologist with an extensive background in natural resources.

Designations: Mr. Stanley received a Bachelor of Science degree in Geology in 1981, as well as a Master of Science degree in Geology in 1983, from Virginia Tech.

Required Vote

Pursuant to our Bylaws, each director will be elected by the affirmative vote of a majority of votes cast at the Annual Meeting, whether in person or by proxy. Under a majority of votes cast standard, the shares voted "for" a nominee must exceed the number voted "against" that nominee. Shareholders may vote "for," "against" or "abstain" with respect to this proposal. Abstentions and broker non-votes are not counted as votes cast, and thus will have no effect on the outcome of the vote. If the votes cast "against" an incumbent director exceeds the number of votes cast "for" the director, the director will not be elected, will remain on the board as a holdover director and must stand for election at the next annual meeting of shareholders, absent his or her earlier resignation or removal. See "*Corporate Governance Guidelines*" on page 19 for a description of our director resignation policy.

You may vote "FOR," "AGAINST," OR "ABSTAIN" on the nominees for election as directors.

The Board recommends that shareholders vote **"FOR"** the election of Ted Crumley, Terry V. Rogers and Charles B. Stanley.

Our directors whose terms are not expiring this year follow. They will continue to serve as directors for the remainder of their terms or until their respective successors are appointed or elected.

Table of Contents

Proposal 1 – Election of Class III Directors

Continuing Class I Members of the Board – Term Ending at the 2020 Annual Meeting

Phillips S. Baker, Jr.

President and Chief Executive Officer

Age: 59
Director since: 2001
Other Directorships:
QEP Resources, Inc.

Hecla Committees:
Executive (Chair)

Mr. Baker has been our Chief Executive Officer since May 2003 and has served as our President since November 2001. He has served as a Director of QEP Resources, Inc., an independent natural gas and oil exploration and production company, since May 2010. Mr. Baker has served as Chairman of the Board for the National Mining Association, a U.S. mining advocate and national trade organization that represents the interests of mining businesses, since October 2017, and has been a Board member since September 2010. He also served as Vice Chairman of the Board for the National Mining Association from October 2015 to October 2017. He has also served as a Board member of the National Mining Hall of Fame and Museum, a federally chartered non-profit national mining museum, since February 2012.

Board Qualification and Skills:

High Level of Financial Experience: Substantial financial experience gained in his roles of President, Chief Executive Officer, and other positions with the Company and Battle Mountain Gold Company, as well as Pegasus Gold, Inc.

Extensive Senior Leadership/Executive Officer Experience: Has served as Hecla's President for 18 years and as Chief Executive Officer for 16 years. Has 30 years of experience as an officer of publicly traded mining companies.

Significant Public Company Board Experience: In addition to serving on the Board of Hecla, has served on the board of QEP Resources, Inc. for nine years, Questar Corporation for five years, and Lihir Gold for two years. He serves as chair of the audit committee and as a member of the governance committee for QEP Resources, Inc.

Extensive Knowledge of the Company's Business and Industry: Over 32 years' experience in the mining industry.

Designations: Mr. Baker received a Bachelor of Business Administration in Accounting from Texas A&M University in 1981, and a law degree and Master of Business Administration from the University of Houston in 1985. He became a member of the State Bar of Texas in 1985 and received his Certified Public Accountant designation in 1986 from the Texas State Board of Public Accounting. Mr. Baker has not maintained these designations.

George R. Johnson

Former Senior Vice President of Operations with B2Gold Corporation

Age: 70
Director since: 2016
Other Directorships:
B2Gold Corporation

Hecla Committees:
Health, Safety, Environmental and Technical
Audit

Mr. Johnson served as Senior Vice President of Operations of B2Gold Corporation, a Canadian gold mining company, from August 2009 until his retirement in April 2015. He has served on the Board of Directors of B2Gold Corporation since March 2016.

Board Qualification and Skills:

High Level of Operational and Industry Experience: Over 45 years of foreign and domestic experience in underground and open-pit mine construction and operations management, including previous employment with Hecla.

Senior Leadership/Executive Officer Experience: Has extensive experience in management in the mining industry, including as Senior Vice President of Operations at B2Gold Corporation.

Designations: Mr. Johnson received a Bachelor of Science with a major in Mining Engineering from the University of Washington in 1972.

Continuing Class II Members of the Board – Term Ending at the 2021 Annual Meeting

George R. Nethercutt, Jr.

Chairman of The George Nethercutt Foundation

Age: 74

Director since: 2005

Other Directorships:

Washington Policy Center

Juvenile Diabetes Research Foundation International (Board of Chancellors)

Hecla Committees:

Corporate Governance and Directors Nominating (Chair)

Compensation

Mr. Nethercutt has served as Chairman of The George Nethercutt Foundation, a non-profit student leadership and civics education charity, since 2005, and was appointed Of Counsel at Lee & Hayes PLLC, a law firm, from September 2010 to June 2018. He has been a board member of Washington Policy Center, a public policy organization providing analysis on issues relating to the free market and government regulation, since January 2005; and Board of Chancellors, Juvenile Diabetes Research Foundation International, a charity and advocate of juvenile diabetes research worldwide, since June 2011. He was a board member of ARCADIS Corporation, an international company providing consultancy, engineering and management services, from May 2005 to April 2017; a Principal of Nethercutt Consulting LLC, a strategic planning and consulting firm, from January 2007 to January 2012, and a member of the board of IP Street, a software company, from May 2011 to January 2015.

Board Qualification and Skills:

Extensive Knowledge of the Company's Business and Industry: Served as a U.S. Congressman and focused on natural resource policies, mining legislation and environmental policies on public lands.

Extensive Government Leadership Experience: Has extensive political background, including working as a staff member in the U.S. Senate in Washington, D.C., where he focused on issues relating to oil and gas, natural resources, mining and commerce. Served as chief of staff to a U.S. Senator from Alaska, working on such issues as agriculture, fisheries, timber and mining. He had his own consulting business which consisted of representing clients with mining and natural resource issues.

Significant Public Company Board Experience: Over 13 years of service on Hecla's Board, as well as serving on the board of ARCADIS Corporation for 12 years.

Designations: Mr. Nethercutt received his Bachelor of Arts in English from Washington State University in 1967, and a law degree from Gonzaga University Law School in 1971. He has been a member of the Washington State Bar Association since 1972.

Stephen F. Ralbovsky

Founder and Principal of Wolf Sky Consulting LLC

Age: 65
Director since: 2016
Other Directorships:
None

Hecla Committees:

Audit (Chair)

Corporate Governance and Directors Nominating

Health, Safety, Environmental and Technical

Mr. Ralbovsky has been the Founder and Principal of Wolf Sky Consulting LLC, a tax consulting firm, since June 2014. Prior to that, he was a partner with PricewaterhouseCoopers LLP, an accounting firm, from February 1987 until his retirement in June 2014, where he concentrated his practice on public companies operating in the mining industry. He is a part-time Professor of Practice at the University of Arizona's James E. Rogers College of Law. Mr. Ralbovsky is also a member of several organizations, including AICPA, Arizona Society of CPAs, National Mining Association, and Society for Mining, Metallurgy and Exploration.

Board Qualification and Skills:

High Level of Financial Experience: Over 39 years' experience in taxation, auditing and accounting.

Extensive Knowledge of the Company's Business and Industry: Over 39 years' experience in accounting, where he was heavily involved in the mining industry with emphasis in global mining tax and royalty policy.

Extensive Senior Leadership Experience: Has extensive experience in leadership in the accounting industry. Served in numerous senior leadership positions, including U.S. Mining Leader, U.S. Mining Tax Leader, Global Mining Tax Leader and Tax Partner for PricewaterhouseCoopers LLP.

Designations: Mr. Ralbovsky received a Bachelor of Business Administration with a major in Accounting from Siena College in 1975. He also received a law degree from Albany Law School in 1978. He is a Certified Public Accountant in the District of Columbia and Arizona.

Table of Contents

Proposal 1 – Election of Class III Directors

Catherine “Cassie” J. Boggs

Former General Counsel at Resource Capital Funds	**Age:** 64 **Director since:** 2017 **Other Directorships:** Funzeleo	**Hecla Committees:** Audit Corporate Governance and Directors Nominating Compensation

Ms. Boggs was the General Counsel at Resource Capital Funds, a mining-focused private equity firm, from January 2011 until her retirement in February 2019. She has been a board member of Funzeleo, a non-profit organization that inspires and prepares youth for high-demand science and math-based careers, since January 2016, as well as serving as President of the Rocky Mountain Mineral Law Foundation, a non-profit organization dedicated to the study of laws and regulations relating to mining, oil and gas, energy, public lands, water, environmental and international law, from July 2012 to July 2013, and a board member of the Rocky Mountain Mineral Law Foundation, from July 2011 to July 2015.

Board Qualification and Skills:

High Level of Legal Experience: Over 37 years’ experience as an attorney, having practiced law in several U.S. and overseas jurisdictions.

Extensive Knowledge of the Company’s Business and Industry: Over 37 years’ experience as a mining and natural resources lawyer with experience in domestic and international mining projects.

Extensive Knowledge of Risk Assessment: In addition to managing all legal affairs of Resource Capital Funds, she was responsible for legal due diligence, country and political risk assessments, and participates in the structuring and implementation of risk mitigation strategies.

Extensive Senior Leadership Experience: Has extensive experience in leadership in the mining industry, having worked for Barrick Gold Company, serving in a variety of leadership roles, including serving as the CEO of Tethyan Copper Company, a gold and copper development project in Pakistan, interim President of the African Business Unit, and as interim General Counsel of African Barrick Gold (now known as Acacia Mining) in its formation and initial public offering.

Designations: Ms. Boggs received a Bachelor of Arts with a major in Economics from University of Denver in May 1976. She received a Master of Science in Resource Development from Michigan State University in December 1977, and a law degree from the University of Denver College of Law in 1981.

Table of Contents

COMPENSATION OF NON-MANAGEMENT DIRECTORS

The Compensation Committee of the Board is responsible for recommending to the independent members of the Board the form and amount of compensation for our non-management directors. The independent members of the Board consider the committee's recommendation and make the final determination of non-management director compensation.

Compensation for non-management directors is designed to reflect current market trends and developments with respect to compensation of board members. It consists of a combination of cash retainers and equity awards.

Peer Group Benchmarking

The Compensation Committee periodically engages its independent compensation consultant to benchmark director compensation against a peer group, which is the same group of companies the committee uses to benchmark executive compensation (see page 41 for a list of these companies). When considering non-management director compensation for calendar year 2018, the committee reviewed and considered the results of a benchmarking report prepared by the committee's independent compensation consultant. The report reviewed the Company's annual cash retainers for our Board members, our chairman of the board, and each committee chair, as well as the annual present value of equity compensation, and compared the total compensation paid to our non-management directors against the reported compensation of the boards of the peer group companies. The following discussion of compensation applies only to our non-management directors, and does not apply to Mr. Baker who, as an employee of the Company, is compensated as an executive officer and does not receive additional compensation for his service as a director. In July 2018, the committee recommended, and the Board approved, the following changes to director compensation:

- increased the board retainer from $66,000 to $98,000;
- eliminated committee retainers for individual members, but kept the retainer the same for committee chairs;
- increased the chairman of the board retainer from $90,000 to $120,000; and
- increased the amount of equity awarded to the directors from $100,000 to $120,000 (see discussion on Equity Compensation following this table).

Components of Non-Management Director Compensation

Compensation Element	Previous Value		Current Value	
Annual Board Retainer	$	66,000	$	98,000
Annual Board Chairman Retainer	$	90,000	$	120,000
Annual Committee Retainer for:	$	12,000	$	0
Health, Safety, Environmental & Technical Committee				
Audit Committee				
Compensation Committee				
Annual Committee Chairman Retainer for:	$	12,000	$	12,000
Health, Safety, Environmental & Technical Committee				
Audit Committee				
Compensation Committee				
Annual Committee Retainer for:	$	8,000	$	0
Governance Committee				
Executive Committee				
Annual Committee Chairman Retainer for:	$	8,000	$	8,000
Governance Committee				
Annual Equity	$	100,000	$	120,000

Annual cash retainers are paid in quarterly installments. No other attendance fees are paid to the non-management directors.

Table of Contents

Compensation of Non-Management Directors

Equity Compensation

We maintain the Hecla Mining Company Stock Plan for Nonemployee Directors (“Director Stock Plan”). The plan is currently scheduled to terminate on May 15, 2027 and is subject to termination by the Board at any time. Pursuant to the plan, before September 30 of each year, each non-management director is credited with a number of shares determined by dividing the annual retainer payable to each non-management director for service on the Board for the applicable year by the average closing price for Hecla’s common stock on the NYSE for the prior calendar year (the “Stock Retainer”). A minimum of 25% of the annual stock retainer under the Director Stock Plan is contributed to a grantor trust established by the Company. Each director may elect, prior to the first day of the applicable year, to have a greater percentage contributed to the grantor trust for that year. The remaining portion of the stock retainer will be transferred to the non-management director as soon as practicable.

Non-management directors joining the Board after September 30 of any year will be credited with a pro rata grant of shares when they join the Board. A minimum of 25% of their stock retainer for that year will be contributed to the trust. Each director may elect, within 30 days after becoming a participant in the Director Stock Plan, to have a greater percentage contributed to the grantor trust for that year. The remaining portion will be transferred to these directors as soon as practicable after they become members of the Board.

The shares held in the grantor trust are subject to the claims of our creditors until delivered under the terms of the Director Stock Plan. Delivery of the shares from the trust occurs upon the earliest of: (i) death or disability; (ii) retirement from the Board; (iii) a cessation of the director’s service for any other reason; (iv) a change in control of the Company (as defined in the Director Stock Plan); or (v) a time elected by the director, except that shares must be held in the trust for at least two years prior to delivery. As of December 31, 2018, there were 3,120,707 shares remaining available for issuance under the Director Stock Plan.

The following chart summarizes the annual cash and equity compensation for our non-management directors during 2018.

Non-Management Director Compensation for 2018

Director	Fees Earned or Paid in Cash ($)	Stock Awards(1) ($)		All Other Compensation(2) ($)	Total ($)
Catherine J. Boggs	98,000	84,740	(3)	0	182,740
Ted Crumley, Chairman	197,000	84,740	(3)	0	281,740
George R. Johnson	94,000	84,740	(3)	7,500	186,240
George R. Nethercutt, Jr.	100,000	84,740	(3)	0	184,740
Stephen F. Ralbovsky	110,000	84,740	(3)	0	194,740
Terry V. Rogers	110,000	84,740	(3)	3,750	198,490
Charles B. Stanley	110,000	84,740	(3)	0	194,740

(1) The amounts shown in this column represent the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board ASC Topic 718. For a description of the assumptions used in valuing the awards please see Note 10 to the Consolidated Financial Statements in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018.

(2) Amounts in this column reflect matching contributions under the Company’s charitable matching gift program.

(3) On July 9, 2018, each non-management director received 23,090 shares of our common stock under the terms of the Director Stock Plan. Based on our closing stock price on the NYSE on July 9, 2018 ($3.67), the grant date fair value for each grant of 23,090 shares was $84,740. (This amount does not reflect the actual amount that may be realized by each director).

Other

The Company covers directors under its overall director and officer liability insurance policies, as well as reimbursing them for travel, lodging, and meal expenses incurred in connection with their attendance at Board and committee meetings, meetings of shareholders, and for traveling to visit our operations. Directors are eligible, on the same basis as Company employees, to participate in the Company’s matching gift program, pursuant to which the Hecla Charitable Foundation matches contributions made to qualifying nonprofit organizations. Beyond these items, no other cash compensation was paid to any non-management director.

PROPOSAL 2
Ratification of the Appointment of BDO USA, LLP as Our Independent Registered Public Accounting Firm for 2019

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to audit our financial statements. The committee appointed BDO USA, LLP ("BDO") as the independent registered public accounting firm for Hecla for the calendar year ending December 31, 2019. BDO has been retained in that capacity since 2001. The committee is aware that a long-tenured auditor may be believed by some to pose an independence risk. To address these concerns, the committee:

- reviews all non-audit services and engagements provided by BDO, specifically with regard to the impact on the firm's independence;
- conducts a quarterly assessment of BDO's service quality, and its working relationship with our management;
- conducts regular private meetings separately with each of BDO and our management;
- interviews and approves the selection of BDO's new lead engagement partner with each rotation; and
- at least annually obtains and reviews a report from BDO describing all relationships between the independent auditor and Hecla.

The members of the committee believe that the continued retention of BDO to serve as our independent registered public accounting firm is in the best interests of Hecla and our shareholders.

Although ratification is not required, the Board is submitting the appointment of BDO to our shareholders for ratification because we value our shareholders' views on our independent registered public accounting firm, and as a matter of good governance practice. In the event our shareholders fail to ratify the appointment, it will be considered as a direction to the Board and to the committee to consider the appointment of a different firm. Even if the appointment is ratified, the committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that such change would be in the best interest of the Company and our shareholders.

Representatives of BDO will be present at the Annual Meeting with the opportunity to make statements and respond to appropriate questions from shareholders present at the meeting.

Required Vote

Under the Sarbanes-Oxley Act of 2002, the Audit Committee has the sole authority to appoint the independent registered public accounting firm for the Company. However, the Board feels that it is important for the shareholders to approve the selection of BDO USA, LLP. This proposal requires the affirmative vote of a majority of votes cast at the Annual Meeting, whether in person or by proxy. Abstentions and broker non-votes are not counted as votes cast, and thus will have no effect on the outcome of the vote. Votes marked "against" will have an effect on the outcome of the vote. The appointment of our independent registered public accounting firm for calendar year 2019 is considered a "routine" matter and brokers that are not directed how to vote are permitted to vote shares held in street name for their customers on this proposal.

You may vote "FOR," "AGAINST," or "ABSTAIN" on the proposal to ratify the appointment of BDO USA, LLP as our independent registered public accounting firm for 2019.

The Audit Committee and Board recommend shareholders vote **"FOR"** the ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for 2019.

Table of Contents

Pre-Approval Process

The committee is responsible for reviewing and, if appropriate, pre-approving all audit, audit-related and non-audit services to be performed by our independent registered public accounting firm. The committee charter authorizes the committee to establish a policy and related procedures regarding the pre-approval of audit, audit-related and non-audit services to be performed by our independent registered public accounting firm.

The committee has delegated its pre-approval authority to the Chair of the committee, who is authorized to pre-approve services to be performed by our independent registered public accounting firm and the compensation to be paid for such services until the next regularly-scheduled meeting of the committee, provided that in such case the Chair shall provide a report to the committee at its next regularly-scheduled meeting of any services and compensation approved by the Chair pursuant to the delegated authority. On a periodic basis, management reports to the committee the actual spending for projects and services compared to the approved amounts.

Audit and Non-Audit Fees

The following table represents fees for professional audit services rendered by BDO for the audit of our annual financial statements for the years ended December 31, 2017 and December 31, 2018, and fees for other services rendered by BDO during those periods.

	2018	2017
Audit Fees(1)	$ 979,640	$ 894,550
Audit Related Fees(2)	91,000	87,000
Tax Fees(3)	23,000	—
All Other Fees	—	—
Total	$ 1,093,640	$ 981,550

(1) Relates to services rendered in connection with the annual audit of our consolidated financial statements, quarterly reviews of financial statements included in our quarterly report on Form 10-Q, fees related to the registration of securities with the SEC, the attempted proposed refinancings in the second quarter of 2018 and the second quarter of 2017, and filings associated with the acquisition of Klondex Mines Ltd.

(2) Consisted principally of fees for audits of financial statements of employee benefit plans.

(3) Consisted of fees for tax assistance in preparation of the Scientific Research & Experimental Development Tax Credits Application of Hecla Quebec (one of our subsidiaries) for its 2016 fiscal year, submitted to Revenue Canada.

Table of Contents

Report of the Audit Committee

The committee acts under a written charter as amended on February 20, 2019. You may obtain a copy of the charter in the "Investors" section of http://www.hecla-mining.com under "Corporate Governance."

In the performance of its oversight responsibilities, the committee (1) reviewed and discussed with management and the independent registered public accounting firm the company's audited financial statements for the fiscal year ended December 31, 2018; (2) discussed with the Company's independent registered public accounting firm the matters required to be discussed by the Public Company Accounting Oversight Board (the "PCAOB") Audit Standard No. 1301, Communications with Audit Committees; (3) received the written disclosures and the letter from the Company's independent registered public accounting firm required by the applicable requirements of the PCAOB regarding the independent accountant's communications with the committee regarding independence; and (4) discussed with the Company's independent registered public accounting firm any relationships that may impact its objectivity and independence and satisfied itself as to the firm's independence. During 2018, the committee worked with management, our internal auditor and our independent auditor to address Sarbanes-Oxley Section 404 internal control requirements. The committee met six times in 2018.

Company management is responsible for the assessment and determination of risks associated with the Company's business, financial reporting, operations and contractual obligations. The committee, together with the Board of Directors, is responsible for oversight of the Company's management of risks. As part of its responsibilities for oversight of the Company's management of risks, the committee has reviewed and discussed the Company's enterprise-wide risk assessment, and the Company's policies with respect to risk assessment and risk management, including discussions of individual risk areas as well as an annual summary of the overall process.

The committee has discussed with both Hecla's internal auditor and independent registered public accounting firm the overall scope of the plans for their respective audits. The committee regularly meets with a representative of the firm hired to serve as Hecla's internal auditor and representatives of the independent registered public accounting firm, in regular and executive sessions, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of Hecla's financial reporting and compliance programs.

Management is responsible for the Company's financial reporting process, including establishing and maintaining adequate internal control over financial reporting and the preparation of the Company's financial statements. The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements and expressing an opinion on the conformity of the Company's audited financial statements with U.S. generally accepted accounting principles. The Company's independent registered public accounting firm also is responsible for performing an independent audit of the effectiveness of the Company's internal controls over financial reporting and issuing a report thereon. The committee relies, without independent verification, on the information provided to it and on the representations made by management and the Company's independent registered public accounting firm. Based on the review and discussion and the representations made by management and the Company's independent registered public accounting firm, the committee recommended to the Board that the audited consolidated financial statements for the fiscal year ended December 31, 2018, be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and filed with the SEC.

The material contained in this Audit Committee Report does not constitute soliciting material, is not deemed filed with the SEC, and is not incorporated by reference into any other Company filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made on, before, or after the date of this Proxy Statement and irrespective of any general incorporation language in such filing, except to the extent that the Company specifically incorporated the Audit Committee Report by reference therein.

Respectfully submitted by
The Audit Committee of the
Board of Directors

Stephen F. Ralbovsky, Chair
Catherine J. Boggs
George R. Johnson
Charles B. Stanley

Table of Contents

PROPOSAL 3
Approval, on an Advisory Basis, of our Executive Compensation

Our Board, pursuant to Section 14A of the Exchange Act, seeks your vote to approve, on an advisory basis, the compensation of our NEOs as set forth under the heading *Compensation Discussion and Analysis* on page 38 and in the accompanying compensation tables starting on page 66, and related material. The Board believes strongly that the Company's current executive compensation program is right for the Company and our shareholders at the current time. The Company's executive compensation program is designed to attract, retain, and motivate talented individuals who possess the executive experience and the leadership skills needed by the Company in order to maintain and increase shareholder value. The Company seeks to provide executive compensation that is competitive with that provided by companies in our peer group within the mining industry. The Company also seeks to provide both near-term and long-term financial incentives to our executives that reward them for good performance and achieving financial results and strategic objectives that are expected to contribute to increased long-term shareholder value.

Underlying these incentives is a strong philosophy of "pay-for-performance" that forms the foundation of decisions regarding the compensation of our NEOs. This compensation philosophy, which has been consistent over many years, is designed to align the interests of our NEOs with the interests of our shareholders and is central to our ability to attract, retain and motivate executive leaders to guide the Company through market challenges over the long-term.

The Board strongly believes in the effectiveness and appropriateness for the Company of its executive compensation program. We believe this confidence is shared by our shareholders, as evidenced by the favorable vote of 96% of our shareholders on the similar proposal presented at our 2017 annual meeting. In 2018, our Say-on-Pay proposal received only a 68% favorable vote, which was much lower than the previous year's favorable vote of 96%, even though our compensation practices had not changed. In the fall of 2018, we held conferences with our largest shareholders, representing 11% of our outstanding shares, and with two proxy advisory firms. During these conferences, it was determined there was a lack of clarity in the operation of our LTIP. Our LTIP is based on corporate goals achieved over a three-year performance period. Although we may have one year of underperformance, the Company may still outperform during the other two years, and thus outperform in total over the three-year period. This was the case with our 2015-2017 LTIP. We performed well operationally in 2015 and 2016, but in 2017 we missed certain targets. For the 2015-2017 LTIP, our cash flow generation and production growth exceeded target levels (due to our operations performing well in 2015 and 2016) and were only slightly above minimum threshold levels for reserve growth and TSR. Starting with the 2019-2021 LTIP, the design has been changed to more closely align payouts to performance that results in relative and absolute share performance.

In 2014, we amended our change in control agreements to provide for a "double-trigger" before most elements of compensation would vest in the event of a change in control. In 2018, we amended our 2010 Stock Incentive Plan to provide for a double-trigger.

We hope you will continue to support the effectiveness and appropriateness of our executive compensation program by a favorable vote on this proposal at the Annual Meeting.

Table of Contents

Proposal 3 – Approval, on an Advisory Basis, of Our Executive Compensation

Some highlights of our executive compensation program and recent Compensation Committee actions include the following:

- a majority of our executives' target direct compensation is at-risk and requires measurable performance;
- exercised discretion to reduce the payout of NEOs below the Company performance rating due primarily to share performance;
- payout of incentive awards for the CEO were lower compared to other years;
- our CEO did not earn his performance-based shares that vested on December 31, 2018 due to failure of the Company's TSR to be above the 50th percentile of its peer group; and
- changed the 2019-2021 LTIP to more closely align payout with share performance by making TSR a positive or negative multiplier of performance depending on relative share performance, while capping payouts at target if absolute returns are negative.

In considering how to vote on this proposal, we urge you to review the relevant disclosures in this Proxy Statement, particularly the section titled *Compensation Discussion and Analysis*, which contains detailed information about our executive compensation program. We currently hold our "Say-on-Pay" advisory vote every year.

The vote is advisory and therefore not binding on the Company, the Compensation Committee or the Board. However, the Board and the Compensation Committee value the opinions of our shareholders and to the extent there is any significant vote against the NEO compensation as disclosed in this Proxy Statement, the Compensation Committee will carefully review and consider the voting results when evaluating our executive compensation program.

We are asking shareholders to approve the following resolution at the 2019 Annual Meeting:

"RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, described in the Compensation Discussion and Analysis, Summary Compensation Table for 2018, and the related compensation tables and narrative in the Proxy Statement for the Company's 2019 Annual Shareholders' Meeting, is hereby APPROVED."

Required Vote

The advisory vote on executive compensation will require the affirmative vote of a majority of votes cast at the Annual Meeting, whether in person or by proxy. Under a majority of votes cast standard, the shares voted "for" Proposal 3 must exceed the number voted "against" Proposal 3 for the proposal to be approved. Abstentions and broker non-votes are not counted as votes cast for this purpose and will have no effect on the outcome of the vote. Votes marked "against" will have an effect on the outcome of the vote. Even though your vote is advisory and therefore will not be binding on the Company, the Board's Compensation Committee will review the voting results and take them into consideration when making future decisions regarding executive compensation.

You may vote "FOR," "AGAINST," or "ABSTAIN" on the proposal to approve the compensation of our NEOs.

The Board recommends that you vote **"FOR"** approval of the compensation of our NEOs.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

Our Compensation Committee strives to design a fair and competitive compensation program for executive officers that will attract, motivate and retain highly qualified and experienced executives, reward performance and provide incentives based on our performance, with an overall emphasis to maximize our long-term shareholder value. Our executive compensation program consists of several components, including base salary, annual and long-term performance awards (paid in cash or equity), equity awards, a deferred compensation plan and retirement benefits. This *Compensation Discussion and Analysis* ("CD&A") provides information regarding our compensation objectives, the relationship between the components of our compensation program and our objectives and factors considered by the committee in establishing compensation levels for our NEOs. The NEOs who are discussed throughout this CD&A and in the compensation tables are:

Name	Age	Principal Position
Phillips S. Baker, Jr.	59	President and CEO
Lindsay A. Hall	63	Senior Vice President and Chief Financial Officer
Lawrence P. Radford	58	Senior Vice President and Chief Operating Officer
Dr. Dean W.A. McDonald	62	Senior Vice President – Exploration
Robert D. Brown	50	Vice President – Corporate Development

Executive Summary

Hecla is a leading primary low-cost silver producer with operating silver mines in Alaska (Greens Creek), Idaho (Lucky Friday), and Mexico (San Sebastian) and is a growing gold producer with operating mines in Quebec, Canada (Casa Berardi) and, more recently, Nevada. In July 2018, we acquired three large properties with a history of high-grade mineralization in Nevada (Midas, Fire Creek and Hollister), one of the most prolific gold mining jurisdictions in the world. We also produce lead and zinc. In addition to our diversified silver and gold operating and cash-flow generating base, we have a number of exploration properties and pre-development projects in eight world-class silver and gold mining districts in North America. With an active exploration and development program, we have consistently grown our reserve base for future production, with 2018 reserves totaling 191 million ounces of silver (65.4 million ounces proven and 125.6 ounces probable) and 2.8 million ounces of gold (0.6 million ounces proven and 2.2 million ounces probable).

Our philosophy is to operate mines safely by promoting a deeply-rooted value-based culture, leveraging mining skills developed over the Company's long history and by innovating new practices. We strive to achieve excellent mine safety and health performance. We implement this goal by training employees in safe work practices; establishing, following and improving safety standards; investigating accidents, incidents and losses to avoid recurrence; involving employees in the establishment of safety standards; and participating in the National Mining Association's CORESafety program. In 2016, we were proud to be the first hardrock mining company to be certified under the National Mining Association's CORESafety system. In 2018, the Casa Berardi Mine was the first international mine to receive certification under the CORESafety system. Because of our implementation of these safety standards, in 2018, we achieved an overall 28% reduction in the all injury frequency rate across all our operating mines.

We believe very strongly that the future of mining lies in productivity increases, and one of the best ways to increase productivity and safety is by automating certain mining tasks. This automation allows the miners to move away from the mining face, and, in some cases, operate the machinery from surface, or have machinery that operates by itself. In 2017, we began work with a third-party equipment manufacturer to develop a remote vein miner ("RVM"), a disc-cutting, continuous-mining machine. We believe RVMs could be used to eliminate the current drill-and-blast method and increase safety and productivity at the Lucky Friday Mine. We have begun introducing automated drilling, tele-remote mucking, automated hauling trucks and battery powered equipment at some of our operations. Although mostly on a trial basis, we can see the benefits that this innovation brings and are excited for the potential transformation they will enable in the future. In addition, we invested in mill improvements and other innovations that we expect will yield significant returns over the long-term for relatively modest investments.

One of our biggest successes in 2018 was investing in exploration, which resulted in record silver, gold and lead reserves and near record zinc reserves. Our operating and strategic framework is based on expanding our production and locating and developing new resource potential. In 2018, we:

completed the acquisition of Klondex Mines Ltd. in July 2018, giving us ownership of two mills, operating mines and other mineral interests in northern Nevada;

achieved gold production that was the highest in our history, primarily as a result of higher throughput at Casa Berardi, continued production at San Sebastian, and the addition of our newly acquired Nevada operations;

completed underground development at our San Sebastian unit and ramped-up underground production; and

increased overall proven and probable reserves at December 31, 2018, with reserves for silver, gold, zinc and lead increasing by 8%, 26%, 11% and 5%, respectively, compared to their levels in 2017. The reserves for silver, gold and lead represent the highest levels in our history with, zinc reserves representing the second highest in our history.

Key Operating and Financial Results

The mining business requires long-term planning and implementation of operating strategies over several years to deliver successful operating and financial results. Accordingly, in the table below and summary that follows, we set forth our key operating and financial results for years 2018, 2017 and 2016.

	As of and for the Year Ended December 31,		
Key Results	**2018**	**2017**	**2016**
Silver (ounces) produced	10,369,503	12,484,844	17,177,317
Gold (ounces) produced	262,103	232,684	233,929
Lead (tons) produced	20,091	22,733	42,472
Zinc (tons) produced	56,023	55,107	68,516
Silver-equivalent ounces produced[4]	43,638,249	40,907,867	46,085,184
Gold-equivalent ounces produced[4]	540,174	554,876	631,456
Sales of products (in thousands)	$ 567,137	$ 577,775	$ 645,957
Net income (loss) (in thousands)	$ (26,563)	$ (28,520)	$ 61,569
Basic income (loss) per common share	$ (0.06)	$ (0.07)	$ 0.16
EBITDA[5] (in thousands)	$ 148,585	$ 156,922	$ 236,373
Cash from operating activities (in millions)	$ 94.2	$ 115.9	$ 225.3
Cash, cash equivalents and short-term investments (in millions)	$ 24.7	$ 219.9	$ 198.9

Our overall operating and financial results are more fully described in *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K filed with the SEC on February 22, 2019. In 2018, we achieved the following:

silver production of 10.4 million ounces and record gold production of 262,103 ounces;

silver equivalent production 43.6 million ounces or gold equivalent of 540,174 ounces;

reported sales of products of $567.1 million, which was the third highest in our history, after our record set in 2016 and the second highest in 2017, despite a strike at our Lucky Friday unit since March 2017;

cash flows from operations of $94.2 million;

cost of sales and other direct production costs and depreciation, depletion and amortization ("cost of sales") of $488.0 million compared to $425.3 million in 2017;

total cash cost, after by-product credits and all-in sustaining cost ("AISC"), after by-product credits, per silver ounce of $1.08 and $11.44, respectively;[6,7]

record reserves for gold, silver and lead; increases over 2017 of 26%, 8% and 5%, respectively; and

28% reduction in our all injury frequency rate across all the operating mines.

4 Silver and gold equivalent production includes silver, gold, lead and zinc production converted to silver and gold ounces using average prices for each year.

5 Earnings before interest, taxes, depreciation, and amortization ("EBITDA") is a measurement that is not in accordance with GAAP. EBITDA is used by management, and we believe is useful to investors, for evaluating our operational performance. A reconciliation of this non-GAAP measure to net income (loss), the most comparable GAAP measure, can be found in Appendix H under *Reconciliation of Net (Loss) Income (GAAP) to Earnings Before Interest, Taxes, Depreciation, and Amortization (non-GAAP).*

6 Cash cost, after by-product credits, per silver ounce is a non-GAAP measurement, a reconciliation of which to cost of sales and other direct production costs and depreciation, depletion and amortization, the most comparable GAAP measure, is included in Appendix H to this Proxy Statement.

7 AISC, after by-product credits, is a non-GAAP measurement, a reconciliation of which to cost of sales and other direct production costs and depreciation, and depletion and amortization, the most comparable GAAP measure, is included in Appendix H to this Proxy Statement. AISC, after by product credits, includes cost of sales and other direct production costs, expenses for reclamation and exploration at the mine sites, corporate exploration related to sustaining operations, and all site sustaining capital costs. AISC, after by-product credits, is calculated net of depreciation, depletion, and amortization and by-product credits.

Table of Contents

Benchmarking and Competitive Analyses

To attract and retain key executives, our goal is to provide competitive compensation. We generally align our NEO base compensation to the 25th percentile and total compensation to the 75th percentile of our peer companies and survey composite data. However, total compensation can exceed the 75th percentile when our Company performance and individual experience, responsibilities and performance warrant.

Central to the pay review process is the selection of a relevant peer group. Because we operate in a global business that is dominated by Canadian companies, our peer group reflects this with only three U.S. companies among our peer group. In addition, our co-headquarters is in Vancouver, British Columbia, where some of our NEOs work. The committee reviews and determines the composition of our peer group on an annual basis, based on recommendations from its independent compensation consultant, Mercer. In May 2018, the committee added Kirkland Lake Gold and Yamana Gold as peers, and removed Endeavour Silver, Primero Mining and Stillwater Mining. Stillwater Mining was acquired in 2017, Primero Mining was acquired in early 2018, and Endeavour Silver was not comparable in size of total assets and market capitalization.

In 2018, Hecla's peer group was made up of the following 15 companies, whose aggregate profile was comparable to Hecla in terms of size, industry and competition for executive talent.

Company	Annual Revenue[(1)] ($millions US)	Market Cap[(1)] ($millions US)	Total Assets[(1)] ($millions US)	Corporate Location
Yamana Gold	1,804	2,963	8,763	Canada
IAMGOLD Corporation	1,095	2,727	3,967	Canada
Centerra Gold Inc.	1,199	1,496	2,772	Canada
Pan American Silver Corporation	817	2,390	1,993	Canada
Kirkland Lake Gold	747	3,216	1,486	Canada
Tahoe Resources Inc.	734	1,501	3,081	United States
Coeur Mining Inc.	710	1,557	1,701	United States
Detour Gold Corporation	708	2,062	2,418	Canada
B2Gold Corp.	639	3,054	2,685	Canada
Alamos Gold Inc.	543	2,549	3,314	Canada
SSR Mining	449	1,063	1,537	Canada
Royal Gold, Inc.	441	5,380	3,029	United States
Eldorado Gold	391	1,150	5,090	Canada
New Gold Inc.	389	1,903	4,017	Canada
First Majestic Silver Corp.	252	1,308	781	Canada
Median	**708**	**2,062**	**2,772**	
Hecla Mining Company	**578**	**1,906**	**2,365**	United States

(1) In $US millions as of year-end 2017.

The peer group is composed entirely of publicly held companies, most of which are engaged in the business of mining precious metals with revenue, market capitalization and total assets within a reasonable range of Hecla's. We believe these peer companies are appropriate because they are in the same industry, compete with us for executive talent, have executives in positions similar to ours, and are considered by the committee to be in an acceptable range of revenue, market capitalization and/or total assets compared to Hecla.

During our shareholder outreach, many of our largest shareholders have informed us that, compared to peer groups selected by proxy advisory firms, they consider the peer group chosen by us to be the most relevant and appropriate for compensation and performance benchmarking purposes. The peer group selected last year by Glass-Lewis included 14 of our 16 selected peers. The peer group selected by Institutional Shareholder Services ("ISS") included only two of our 16 selected peers. The rest of the peer group selected by ISS contained U.S.-based companies in the industrial and specialty chemicals, plastics, coatings, nickel and cobalt-based alloys, steel products and other industries – companies and industries whose market fundamentals are different from the precious metals mining industry. We understand that ISS's internal policies prohibit its selection of Canadian companies (which account for 12 of our peers) and require that Hecla be compared to companies having only similar revenue instead of similar market capitalization or total assets. We believe that a fair compensation peer group, in terms of both industry profile and size, should not be selected for Hecla without including Canadian companies.

In making compensation decisions, and taking into consideration recommendations made by Mercer, the committee also reviews survey data provided by Mercer from the following mining and general industry survey sources:

- Mercer U.S. Mining Industry Compensation Survey
- Mercer Canadian Mining Industry Compensation Survey
- Mercer U.S. Premium Executive Remuneration Suite (general industry)

Mercer provided the committee with a report summarizing executive compensation levels at the 25th, 50th and 75th percentiles of the peer group and the survey data for positions comparable to those held by each of our NEOs. The committee also received an analysis from Mercer comparing the target total cash compensation (base salary plus target annual incentive) and target total direct compensation (base salary plus target annual incentive plus the value of long-term target incentives) for each of the NEOs against these benchmarks. For retention and competitive considerations, in comparison to the peer group data or survey data applicable to each NEO's position, we target each NEO's total cash compensation at the median level and the total target direct compensation at or above the median level and deliver compensation above or below these levels when warranted by performance.

In 2018, target total direct compensation (base salary, annual and long-term incentives) for our NEOs was between the median and the 75th percentile of both the peer group and survey data.

In 2018, the committee also approved a separate peer group to be used specifically with regard to TSR. The TSR peer group is as follows:

IAMGOLD Corporation	Yamana Gold Inc.	Coeur Mining Inc.
SSR Mining Inc.	Tahoe Resources Inc.	Alamos Gold Inc.
Detour Gold Corporation	First Majestic Silver Corp.	Kirkland Lake Gold Ltd.
Centerra Gold	Pan American Silver Corporation	Eldorado Gold
B2Gold Corp.	New Gold Inc.	

The Compensation Committee Process and the Role of Management and Compensation Consultants

Role of the Committee. The committee, consisting entirely of independent members (Rogers, Crumley, Nethercutt and Boggs), has primary responsibility for executive compensation decisions. The committee carries out its responsibilities under a charter approved by the Board. The committee has the authority to approve all executive compensation, including our CEO's (but not that of our independent directors, which remains decided by the full Board). The committee receives assistance from its independent executive compensation consultant, Mercer, and uses this information in making decisions and conducting its annual review of the Company's executive compensation program. In 2018, with the assistance of Mercer, the committee assessed the Company's compensation arrangements to determine if their provisions and operation create undesired or unintentional risks of a material nature. The committee found that our compensation policies and practices do not create inappropriate or unintended significant risk to the Company as a whole.

Table of Contents

Compensation Discussion and Analysis

Role of Independent Compensation Consultant. Mercer performs executive compensation services solely on behalf of the committee, is engaged by and reports directly to the committee, meets separately with the committee with no members of management present, and consults with the committee chair between meetings.

The committee has assessed Mercer's independence in light of SEC rules and NYSE listing standards and has determined that Mercer's work does not raise any conflicts of interest or independence concerns. The Mercer consultants who worked with the committee were Tracy Bean, project manager, who was assisted by Raphael Katsman, a principal of Mercer.

Pursuant to a written agreement dated January 19, 2018, between Mercer and the committee, below are the material aspects of the services the committee asked Mercer to perform with respect to executive compensation and related matters in 2018:

- evaluate the competitiveness of the total direct compensation package provided to Hecla's executive officers; and specifically, to compare Hecla's current executive officer compensation with compensation provided to executives in similar roles in comparable organizations;
- review updated information regarding Hecla's executive compensation program and the positions to be benchmarked, including organization charts, position descriptions, current total compensation and other relevant data;
- review last year's peer group to determine if the included companies continue to be appropriate and if any additional companies should be considered for inclusion;
- collect and analyze compensation data from the most recent proxy filings of the peer group and from survey sources and summarize the market pay data by the 25th, 50th and 75th percentile levels and compare Hecla's executive compensation levels to the proxy and survey data separately;
- analyze the year-over-year change in compensation levels for Hecla compared to each market data source;
- analyze Hecla's long-term incentive and equity practices compared to peers;
- prepare a report to the committee summarizing their methodology, findings and overall recommendations;
- assist the committee in meeting its obligation to issue a Compensation Committee Report recommending inclusion of the CD&A in the Proxy Statement; and
- provide ongoing advice and consultation throughout the year to assist the committee, including attendance at committee meetings, if needed.

In addition to providing technical support and input on market practices, the committee's goal in using a compensation and benefits consultant is to provide external benchmark information for assessing compensation relative to our compensation philosophy. As described under Benchmarking Using Compensation Peer Groups, Mercer assisted the committee in identifying the appropriate companies to be included in our peer group for executive and director compensation and pay practices, and in benchmarking our executive and director pay against the peer group.

In June 2018, Mercer performed a competitive analysis and presented its findings and recommendations to the committee. The competitive analysis provided detailed comparative data for each executive officer position and assessed each component of pay, including base salary, annual and long-term incentives and total target compensation, as well as the mix of compensation among these pay elements. We compared this information to our executives' compensation by similarity of position. The committee also reviewed our performance and carefully evaluated each executive's performance during the year against established goals, leadership qualities, operational performance, business responsibilities, career with Hecla, current compensation arrangements and long-term potential.

The committee has established procedures that it considers adequate to ensure that Mercer's advice to the committee remains objective and is not influenced by Company management. These procedures include: a direct reporting relationship between the Mercer consultant and the committee; a provision in the committee's engagement letter with Mercer specifying the information and recommendations that can and cannot be shared with management; an annual update to the committee on Mercer's financial relationship with Hecla, including a summary of the work performed for

Hecla during the preceding 12 months; and written assurances from Mercer that within the Mercer organization, the Mercer consultants who perform services for Hecla have a reporting relationship determined separately from Mercer's other lines of business and from its other work for Hecla. The total amount of fees for executive compensation consulting services Mercer provided to the committee in 2018 was $87,435.

In the past, our human resources department had utilized Mercer or its affiliates to provide consulting services on our employee benefit plans. The decision to engage Mercer or its affiliates for these additional consulting services was made by our human resources department, and neither the committee nor the Board approved these other services. In April 2018, our human resources department changed consulting services for our employee benefit plans, and no longer uses Mercer or its affiliates in this role.

Role of Management. The committee considers input from the CEO in making determinations regarding our executive compensation program and the individual compensation of each NEO (other than the CEO). As part of our annual review process, the CEO reviews the performance of each NEO (other than the CEO), and their contribution to the overall performance of the Company. Approximately mid-year, the CEO presents recommendations to the committee regarding base salary adjustments, target annual incentive awards, stock-based grants, and long-term performance unit grants, based on a thorough analysis of relevant market compensation data comparing Hecla with an applicable peer group within the mining industry. The CEO and senior management also make recommendations to the committee regarding our annual quantitative and qualitative goals, and annual long-term goals for the NEOs (other than the CEO), as well as recommendations regarding the participation in our stock-based compensation plans and amendments to the plans, as necessary.

Compensation Philosophy and Objectives

Management, the Board and the committee recognize that the mining industry is cyclical, influenced by market factors, and can include swings in the market prices for precious metals, which are beyond our management's control, which can significantly influence our profitability and share price. Further, we operate in a competitive and challenging industry, and the supply of mining executives is very limited, particularly in the United States. As a result, having a viable compensation strategy is critical to our success.

We expect top-level performance from our executive management team even during downturns in our industry and during periods of Company expansion. Accordingly, the criteria that the committee has established for our performance-based awards have sometimes been very challenging to achieve. Nevertheless, even in years for which we have incurred a net loss, we have often performed better than most of our industry peers in key respects (e.g., reserves and resources). The committee considers this and other factors in evaluating discretionary awards.

Our compensation philosophy is to pay our NEOs competitive levels of compensation that best reflect their individual responsibilities and contributions to the Company, while providing incentives to achieve our business and financial objectives. While comparisons to compensation levels at companies in our peer group are helpful in assessing the overall competitiveness of our compensation program, we believe that our executive compensation program also must be internally consistent and equitable in order for the Company to achieve our corporate objectives.

The pay-for-performance philosophy of our executive compensation programs described in this Proxy Statement plays a significant role in our ability to produce strong operating, exploration, strategic, and financial results. It enables us to attract and retain a highly experienced and successful team to manage our business. Our compensation programs strongly support our business objectives and are aligned with the value provided to our shareholders. Further, as an executive's level of responsibility within our organization increases, so does the percentage of total compensation that we link to performance – through the annual and long-term incentive programs, as well as share performance.

In setting policies and practices regarding compensation, the guiding philosophy of the committee is to:

- have compensation that is primarily at-risk and based on strategic objectives and tactical activities; and
- acquire, retain and motivate talented executives.

Table of Contents

Compensation Discussion and Analysis

The committee believes that a mix of both cash and equity incentives is appropriate, as cash incentives reward executives for achieving both short- and long-term quantitative and qualitative goals, while equity incentives align the interests of our executives with those of our shareholders. In determining the amount of the cash and equity incentives, the committee considers each officer’s total compensation on both a short- and long-term basis to assess the retention and incentive value of his or her overall compensation.

The committee conducts its annual review process after the end of each calendar year in order to align each executive’s compensation awards with the Company’s operational, financial and strategic results for the preceding measurement period.

We also maintain (or avoid) the following pay practices that we believe enhance our pay-for-performance philosophy and further align our NEOs’ interests with those of shareholders:

We DO Have these Practices	We DO NOT Have these Practices
Incentive award metrics that are objective and tied to Company performance 81.9% of CEO and 78.4% of NEO pay is at-risk Over 67.7% of total compensation for the CEO is performance-based 59% of total compensation for NEOs other than the CEO is performance-based 100% of the CEO’s annual incentive compensation is tied solely to Company performance Rigorous stock ownership requirements for our NEOs and directors Compensation recoupment “clawback” policy Double-trigger change in control severance for NEOs Double-trigger in 2010 Stock Incentive Plan Equity awards that vest over a three-year period to promote retention Equity awards that are performance-based depend on relative share performance (as well as time) Anti-hedging and anti-pledging policies Our NEOs, including our CEO, must remain employed with the Company through the payment date of their AIP awards, or the awards are forfeited Our NEOs, including our CEO, must remain employed with the Company through the payment date of their LTIP Plan awards, or the awards are forfeited, except in the case of retirement	Repricing of stock options Perquisites Excise tax gross-ups

Table of Contents

Elements of Total Compensation

We have a multifaceted compensation program. For the year ended December 31, 2018, our executive compensation program consisted of the following elements:

BASE SALARY

Objective: Provide a fixed level of cash compensation for performing day-to-day responsibilities.

Key Feature: Designed to be at less than median so more pay is at-risk.

Terms: Paid semi-monthly.

INCENTIVE PAY

Annual Incentive Plan

Objective: Focus executives on achieving Company's annual goals, and the performance steps necessary to achieve longer-term objectives.

Key Features: Based on achievement of the Company goals the plan creates a bonus pool that is a percentage of all salaried employees targeted annual incentive. Some goals are quantitative, such as EBITDA, production, and cash position, while others are qualitative and discretionary. Weighting of the corporate performance is 50% quantitative corporate performance goals, 25% qualitative/other goals, and a 25% discretionary factor as determined by the committee. Executive incentive pay is based on a combination of corporate and individual performance.

Terms: Determined by the committee and paid in a single payment following the performance year. Awarded in the first half of each year. Designed to be awarded in cash but may be paid in equity (in full or part). Any NEO receiving an AIP award must be employed with the Company at the time of payment, except for a termination due to death or disability, or their award is forfeited.

Long-term Incentive Plan

Objective: Focus executives on longer-term value creation as determined by the specific targets of the plan.

Key Features: Based on corporate goals achieved over a three-year performance period. A new three-year performance period begins each calendar year and performance units are granted in the first half of each year. Each three-year plan identifies key long-term objectives that are expected to create long-term value for shareholders such as increasing reserves and production, generated cash flow and relative shareholder returns.

Terms: Determined by the committee and paid in a single payment following the three-year performance period. Awarded in the first half of each year. Designed to be awarded in cash but may be paid in equity (in full or part). Any NEO receiving a LTIP award must be employed with the Company at the time of payment, or their award is forfeited, except in the case of retirement, death or disability. At the time of an employee's retirement, in order to receive any LTIP award that otherwise becomes payable, the employee must at least be age: (i) 60 and have 15 or more years of service with the Company; (ii) 65 and have seven or more years of service with the Company; or (iii) 68. If the participant meets these age and years of service requirements, their prorated portion for outstanding plan periods will be paid after the completion of those plan periods.

Table of Contents

EQUITY

Restricted Stock Units

Objectives: Align management's interests with those of shareholders and provide incentive for NEOs to remain with the Company for the long term.

Key Features: Restricted stock unit awards are denominated in shares and delivered in stock with a vesting schedule of three years for NEOs.

Terms: Restricted stock units are granted between May and August of each year. If a NEO leaves the Company for any reason, other than retirement, death or disability, before the vesting date, he or she will forfeit his or her restricted stock units. Also, if a NEO retires before their restricted stock units have vested, he or she must meet certain requirements in order for his or her restricted stock units to continue to vest based on the applicable vesting schedule. At the time of an employee's retirement, in order to receive any unvested restricted stock units, the employee must at least be age: (i) 60 and have 15 or more years of service with the Company; (ii) 65 and have seven or more years of service with the Company; or (iii) 68.

Performance-based Shares

Objectives: Provide incentive for NEOs to remain with the Company for the long term and to align the NEO's interests with those of shareholders.

Key Features: Performance-based shares realize more value the higher the TSR ranks within the selected peer group and have no value if the share performance falls below the 50^{th} percentile among the peer group.

Terms: Performance-based shares are granted to the NEOs in the second quarter of each year and are based on a three-year TSR. If a NEO leaves the Company for any reason, other than retirement, death or disability, before the vesting date, he or she will forfeit his or her performance-based shares. Also, if a NEO retires before their performance-based shares have vested, he or she must meet certain requirements in order for his or her performance-based shares to continue to vest based on the applicable vesting schedule. At the time of an employee's retirement, in order to receive any unvested performance-based shares, the employee must at least be age: (i) 60 and have 15 or more years of service with the Company; (ii) 65 and have seven or more years of service with the Company; or (iii) 68.

KEY EMPLOYEE DEFERRED COMPENSATION PLAN

Objective: Increased exposure to the Company to the extent deferred compensation is tied to the value of Hecla stock, while also providing a tax deferral opportunity and encouraging financial planning.

Key Features: Allows for the voluntary deferral of base salary, annual incentive pay, long-term incentive pay and restricted stock unit payouts.

Terms: Generally, employee must make election in the previous year to defer in the coming year.

BENEFITS

Objectives: Attract and retain highly qualified executives.

Key Features: Participation in retirement plans, partial company-paid health, dental and vision insurance, life insurance, and accidental death and dismemberment insurance.

Terms: Same terms for all U.S. based executives. Non-U.S. executives receive similar benefits.

Table of Contents

Compensation Discussion and Analysis

Total Compensation Mix

Our executive compensation program – composed primarily of base salary, annual and long-term incentives, and equity awards – is intended to align the interests of our NEOs with the long-term interests of our shareholders. The program is designed to accomplish this by rewarding performance that results in an increase in the value of our shareholders' investment in Hecla. We believe that the proportion of at-risk, performance-based compensation should comprise a significant portion of executive pay.

The mix of compensation for our CEO and other NEOs, which we believe is similar to our peer group, is shown below.

CEO Mix of Target Pay

Other NEO Mix of Target Pay

2018 Target Compensation Structure. The following table lists total 2018 target compensation for the NEOs.

NEO	Base Salary[(2)] ($)	Annual Incentive Target Award ($)	Long-term Incentive Plan Target Award ($)	Equity[(3)] ($)	Total ($)
Baker	635,000	635,000	1,140,000	1,100,000	3,510,000
Hall	380,000	380,000	500,000	465,000	1,725,000
Radford[(1)]	416,000	416,000	500,000	750,000	2,082,000
McDonald	275,000	275,000	360,000	380,000	1,290,000
Brown	264,000	184,800	300,000	330,000	1,078,800

(1) Mr. Radford was promoted to Senior Vice President and Chief Operating Officer in May 2018. His base salary was increased from $380,000 to $416,000, effective July 1, 2018. His equity was also increased from $465,000 to $750,000 ($450,000 in restricted stock units and $300,000 in performance-based shares).

(2) Base salaries for calendar year 2018.

(3) Consists of the following target values for restricted stock units and performance-based shares:

NEO	Restricted Stock Units ($)	Performance-based Shares ($)	Total Equity Award Value ($)
Baker	500,000	600,000	1,100,000
Hall	300,000	165,000	465,000
Radford	450,000	300,000	750,000
McDonald	250,000	130,000	380,000
Brown	200,000	130,000	330,000

Individual base salaries and annual incentive targets for the NEOs are based on the scope of each NEO's responsibilities, individual performance and market data. At the beginning of each year, we also define the key strategic objectives each NEO is expected to achieve during that year, which are evaluated and approved by the committee.

Compensation Discussion and Analysis

Overview of our Compensation Decisions and Results for 2018

Summary

Compensation of the NEO's is comprised of base salaries, annual incentive, long-term incentive, restricted stock units and performance-based shares. In 2018:

- Base salaries of our NEOs were unchanged except for the promotion of our Chief Operating Officer, whose salary was increased 9.5%;
- The assessment of annual corporate performance was 82% of target with quantitative factors contributing 39% (target of 50%), qualitative factors contributing 23% (target of 25%) and discretionary factors contributing 20% (target of 20%). Due primarily to the relative share performance to peers, the Board exercised negative discretion, thereby reducing the CEO and each of the Senior Vice Presidents to 50% of target, and the Vice President – Corporate Development to 64% of target;
- The 2016-2018 LTIP payout is 160% of target because of the performance of the long-term value drivers: reserve growth (235% of target), production growth (105% of target), cash flow (94% of target) and total shareholder return (resulted in no payout);
- The restrictions on the 2016 restricted stock units expired and the remaining shares became vested; and
- The performance-based shares were only issued in 2016 to our CEO. Because share performance against the peer group did not meet the threshold, the shares were not issued.

Hecla's compensation program is designed to compensate NEOs for giving shareholders long-term value. The 2018 compensation results were less than 2018 targeted compensation and less than 2017 and 2016 compensation for the CEO. Because of personnel changes, this was not true for all NEOs.

Base Salary

Design. Pursuant to our market positioning policy, the committee targets base salaries between the 25th percentile and median of Hecla's peer group for our NEOs. An individual NEO's base salary may be set above or below this market range for that particular position, depending on the committee's subjective assessment of the individual NEO's experience, recent performance and expected future contribution, retention concerns, and the recommendation of our CEO (other than for himself). The committee does not use any type of quantitative formula to determine the base salary level of any of the NEOs. The committee reviews NEO salaries at least annually as part of its overall competitive market assessment, as previously described. Typically, the committee makes annual salary adjustments in the middle of each year for the 12-month period from July 1 to June 30.

Analysis and Decision. In June 2018, the committee reviewed a market analysis prepared by Mercer. Mr. Radford's compensation package was increased in 2018 due to his promotion to Senior Vice President and Chief Operating Officer. His base salary was increased from $380,000 to $416,000. No other NEO base salaries were adjusted in 2018.

The following table shows annual base salaries for all NEOs from January 1, 2018 through December 31, 2018:

Base Salary for NEOs January 1, 2018 through December 31, 2018

NEO	1/1/18 to 6/30/18 Salary ($)	7/1/18 to 12/31/18 Salary ($)	Percentage Increase In 2018 (%)
Baker	635,000	635,000	0
Hall	380,000	380,000	0
Radford	380,000	416,000	9.5
McDonald	275,000	275,000	0
Brown	264,000	264,000	0

Table of Contents

Incentive Plans

Annual Incentive Plan ("AIP")

Consistent with Hecla's pay-for-performance philosophy, substantially all salaried employees, including our NEOs, are eligible to participate in the AIP. Early in the current year, the committee approves a company-wide, annual incentive pool that is available for payment to salaried employees, including the NEOs, the amount of which is based on Company performance during the prior year.

Target Opportunities. Each NEO has a target AIP award opportunity expressed as a percentage of base salary, along with threshold and maximum award levels. The target award opportunities are determined based on the following: market assessments and the committee's market positioning policy; the individual NEO's organization level, scope of responsibility and ability to impact Hecla's overall performance; and internal equity among the NEOs. Actual awards are paid after the end of each annual performance period and can range from 0% to 200% of the target awards, based on the committee's assessment of our actual performance and the achievement of an individual NEO's goals. Having a limit on our AIP awards reduces the likelihood of windfalls to executives and encourages financial discipline. It is also competitive with typical peer group practice.

For 2018, target AIP award opportunities for the NEOs were as follows:

NEO	Target Annual Incentive (% of base salary)	
Phillips S. Baker, Jr.	100	%
Lindsay A. Hall	100	%
Lawrence P. Radford	100	%
Dr. Dean W.A. McDonald	100	%
Robert D. Brown	70	%

The market analysis prepared by Mercer in June 2018 indicated that our target annual incentives were generally at the median of peers.

Performance Measures and Components. Our management develops proposed targets for each Company performance measure based on a variety of factors, including historical corporate performance, internal budgets, forecasts and growth targets, market expectations and strategic objectives. The committee reviews the targets and adjusts them, as it deems appropriate. The committee believes that linking annual incentive awards to pre-established goals creates a performance-based compensation strategy consistent with shareholder interests. The committee also believes that incentive compensation targets should be established to drive real and sustainable improvements in operating performance and the strategic position of the Company.

In 2014, the AIP was amended to use a more formulaic approach with less committee discretion. The AIP includes the following components and relative weights:

- quantitative corporate performance factors comprising 50% of the targeted award;
- qualitative/other goals comprising 25% of the targeted award; and
- a discretionary factor as determined by the committee comprising 25% of the targeted award.

Each component can achieve two times the target (200%) with respect to the component, with the maximum total payout limited to two times the target award level (200%).

Quantitative Corporate Performance Factors. For 2018, the quantitative corporate performance factors under the AIP were divided into three factors (including weighting): production (20%), EBITDA less capital (20%), and all injury frequency rate reduction (10%).

The production factor converts gold, lead and zinc to silver equivalent at ratios of 71.2 oz. silver to 1 oz. gold, 16.4 lbs. of lead, and 13.3 lbs. of zinc. Our production target required we achieve 44.0 million silver equivalent ounces. Maximum payout was attained if production achieved 47.0 million ounces. The minimum payout was achieved if production was greater than 37.0 million ounces. Hecla produced 10.4 million ounces of silver and 262,103 ounces of gold (a record). Equivalent production was 43.6 million ounces. The quantitative production results were 99% of target.

Table of Contents

Compensation Discussion and Analysis

2018 Production Metrics

2018 Production in Silver Equivalent Ounces (includes all metals)

		% Performance Value
47.0 mm	Maximum	40%
45.5 mm		30%
44.0 mm	**Target**	**20%**
42.3 mm		10%
<37.0 mm		0%

The EBITDA less capital[8] target was $92 million. Maximum payout was achieved if EBITDA less capital was $120 million. There would be no payout if EBITDA less capital was less than $32 million. EBITDA less capital results were $7.4 million, which was less than the threshold.

2018 EBITDA Less Capital Metrics

		% Performance Value
$120 mm	Maximum	40%
$105 mm		30%
$92 mm	**Target**	**20%**
$48 mm		10%
<$32 mm		0%

The work-related injury rate reduction target was 10% at year-end, which would achieve a long-term goal. Maximum payout would be achieved if our work-related injury rate reduction was met at 30%. The threshold payout level was 5% reduction, below which no payout is earned. The reduction in the all injury frequency rate was 27.5%, which is 275% of target. During the past six years, Hecla has reduced its injury rate over 60%.

Work-Related Injury Rate Reduction Metric

		Factor Value
30%	Maximum	20%
20%		15%
10%	**Target**	**10%**
5%		5%
<5%		0%

2018 AIP Quantitative Measure Results

	Maximum	Target	Minimum	Actual	Performance Value
Production					
Silver equivalent ounces	47.0 mm ozs.	44.0 mm ozs.	42.3 mm ozs.	43.6 mm ozs.	20%
EBITDA less capital	$120 mm	$92 mm	$48 mm	$7.4 mm	0%
Work-related injury reduction	30%	10%	5%	28%	19%
Total Quantitative					**39%**

Qualitative Corporate Performance Factors. In addition to quantitative corporate performance factors, our AIP has a component that is based on qualitative goals relating not only to Hecla as a whole, but also to each NEO. This component is targeted to account for 25% of the total AIP target award but can account for 0% to 50% of the target award.

For our 2018 AIP, qualitative objectives for NEOs included those related to (i) safety and health, (ii) environmental, (iii) technology and innovation, (iv) continuous improvement, (v) operations, (vi) finance/accounting/IT, (vii) employee development, (viii) acquisitions, (ix) mine life extension, exploration and reserve growth, (x) investor relations, (xi) government and community affairs, and (xii) legal. While many of the goals are subjective in nature, to the extent possible, objective and quantifiable targets are set in order to improve accountability for results.

8

The non-GAAP measurement of EBITDA less capital is calculated as the GAAP measure of net loss plus/less the following items: interest expense, income tax benefit, depreciation, depletion and amortization expense, interest and other income, acquisition costs, loss on investments, gain on derivatives contracts, provision for environmental matters, provisional price losses, foreign exchange gain, stock-based compensation, suspension costs, gain on disposition of properties, plants, equipment and mineral interests, and capital expenditures at our operating mines. A reconciliation of EBITDA less capital to the most comparable GAAP measure of net loss for the year ended December 31, 2018, is included in Appendix H of this Proxy Statement.

For 2018, the committee assessed qualitative performance at 23%. The committee based its assessment on the following factors:

- completed safety system assessments at San Sebastian and the newly acquired Nevada operations
- completed Environmental Management System audits at each active operation
- established development for Fire Creek mine
- maintained safety and compliance of the Midas tailings dam
- increased revolving line of credit to $250 million
- developed common reporting format for the newly acquired Nevada operations
- completed company-wide sexual harassment prevention training program
- drilling success at San Sebastian
- expanded and refined resources at our Casa Berardi and Greens Creek mines
- resolved various legal matters
- maintained positive First Nations relationships
- made significant progress in advancing Hecla's Environmental, Social and Governance ("ESG") reporting
- continued investor outreach program and held meetings with top shareholders and proxy advisory firms
- each mine site demonstrated progress in technology and innovation
- acquired Klondex Mines Ltd. operations in Nevada
- obtained a final Record of Decision for the Rock Creek evaluation phase

Discretionary Factor. The final component of our AIP is at the discretion of the committee and it is targeted to account for 25% of the total AIP target award but can account for 0% to 50% of the target award. For 2018, the committee determined the discretionary factor performance value to be at 20%. The committee based its assessment primarily on the following significant performance results by Hecla in 2018:

- all operations completed the year better than the governing agency all-injury frequency average
- achievements in safety excellence with no lost-time incidents at our: San Sebastian Mine (1,249 days), Fire Creek Mine (2,268 days), Midas Mine (1,539 days), Aurora Mine (812 days), Lucky Friday Mine (660 days), and Casa Berardi Mine (316 days)
- no NPDES permit exceedances or water system violations at Lucky Friday Mine
- advanced progress on the remote vein miner
- advanced progress on the ore sorting facility at our San Sebastian Mine
- our Casa Berardi Mine in Quebec was the first international mine to receive certification under the CORESafety system
- Hecla continued to support initiatives that addressed community needs and maintained or proactively pursued key partnerships with strong and positive community relations
- achieved the highest silver and gold reserves in the Company's history
- our Lucky Friday Mine rescue team placed 1st at Central Mine Rescue competition, and 7th out of 42 teams at nationals
- assisted in the defeat of the Montana water treatment initiative
- successfully defended all unfair labor practice charges by the United Steel Workers Union

While these items, particularly the reserve and resource growth, suggests the potential for significant positive discretion, the share performance (from $3.97 at the end of 2017 to $2.36 at the end of 2018) and the under performance of the Nevada assets, makes the committee's assessment below target at 20%.

NEO Year-end 2018 Performance. The AIP qualitative, quantitative and discretionary factors result in a corporate performance that is 82% of target. NEOs performance is based on a combination of corporate performance, individual goals and the impact they have on shareholder value. The committee believes that our NEOs' performance goals should support and help achieve the Company's strategic objectives and be tied to their areas of responsibility. Individual performance goals for each NEO, except the CEO, were proposed by the CEO and reviewed and approved by the committee. The CEO's goals are based 100% on corporate performance.

Compensation Discussion and Analysis

After the end of the year, the committee, based on each NEO's self-assessment and our CEO's input, reviews each NEO's progress against his individual performance goals. When making its award determinations, the committee did not assign a specific weighting to any of the individual's goals, but instead reviewed each NEO's progress against his individual goals in the aggregate. The following is a summary description of the performance goal results for each of the NEOs for 2018, except our CEO, who is discussed separately below.

Mr. Hall — **Year-end 2018 Performance Results**

- instrumental in managing Hecla's cash position in 2018;
- increased our revolving line of credit to $250 million;
- successfully integrated a new tax services firm;
- completed IRS review of $9 million refund claim and collected the funds; and
- successfully integrated IFS (an industrial and financial system) at our Casa Berardi operations

Mr. Radford — **Year-end 2018 Performance Results**

- instrumental in continuing the strong operating performance at Greens Creek and Casa Berardi;
- successfully advanced the technological innovations to achieve improved production and recoveries in the future;
- improved safety performance at all locations to injury rates below the average in each jurisdiction – USA, Quebec and Mexico;
- successful in reorganizing new managers/employees at our Nevada operations after the acquisition;
- established development for Fire Creek;
- instrumental in keeping salaried workforce at our Lucky Friday Mine progressing the remote vein miner development; and
- established a development plan for Fire Creek and Hatter Graben in Nevada.

Dr. McDonald — **Year-end 2018 Performance Results**

- found more resources and reserves at Casa Berardi to extend mine life;
- developed near-term exploration plans to increase resources and reserves at Greens Creek and to extend its life of mine;
- provided support for ore sorting and metallurgical test work with on-site application;
- enhanced ability to estimate resources and reserves, including training of new resource modelers; and
- set up external audit of commercial analytic labs that the Company uses for analysis of exploration samples.

Mr. Brown — **Year-end 2018 Performance Results**

- developed corporate and banking relationships to facilitate an acquisition;
- directed the Klondex Mines Ltd. acquisition;
- continued to strengthen the M&A process; and
- developed a plan to maintain and prioritize acquisition candidates.

Based on each NEO's performance in managing their functions and the progress they made towards the Company's AIP Components and their individual goals as discussed above, and the overall success of the Company in 2018, the committee determined that each of the NEO's should be awarded between 50% and 64% of targeted AIP value.

Mr. Baker's annual incentive is based 100% on corporate performance. Although overall metal production increased with record gold production, and Mr. Baker's leadership led to achieving significant strategic goals and objectives for the year, including increased reserves and improved safety metrics, and assuring growth in skills and performance in the Company's management team, share performance caused the committee to award Mr. Baker 50% of his targeted annual incentive award, a reduction from the corporate rating of 82%.

2018 AIP Award Summary. For 2018, based on the assessment by the committee of the Company's overall performance on both quantitative and qualitative measures, as well as relevant discretionary factors under the AIP, the committee determined Company performance to be at 82% of target (out of a possible range of 0% to 200%). This was comprised of 39% related to the quantitative factors (20% for Production, 0% for EBITDA less capital, and 19% for work-related injury reduction); 23% for qualitative factors; and

20% for discretionary.

Compensation Discussion and Analysis

Set forth in the table below is each NEO's target award and actual award, which was paid 100% in cash.

Name	Base Salary ($)	Base Salary Factor (%)	Target Annual Incentive ($)	% to Target[(1)] (%)	Actual Award[(2)] ($)
Phillips S. Baker, Jr.	635,000	100	635,000	50	317,500
Lindsay A. Hall	380,000	100	380,000	50	190,000
Lawrence P. Radford	416,000	100	416,000	50	208,000
Dr. Dean W.A. McDonald	275,000	100	275,000	50	137,500
Robert D. Brown	264,000	70	184,800	64	118,800

(1) The percentages listed for each of the NEOs includes corporate achievement of goals and individual performance.

(2) The amount reported in this column was paid in cash to the NEO and is included in the *Summary Compensation Table* for 2018 on page 66 under "Non-Equity Incentive Plan Compensation."

Long-term Incentive Plan ("LTIP")

We use the LTIP to focus employees on meeting long-term (three-year) corporate performance goals. The LTIP is also designed to attract and retain employees in a highly competitive talent market. The committee considers mining and general industry market practices, as well as the objectives of the LTIP, when determining the terms and conditions of long-term incentive goals, such as resource additions and cash flow generation.

Under the LTIP, a new performance period begins each calendar year and runs for three years. The three-year performance period recognizes that some value-creating activities require a significant period of time to be implemented and for measurable results to accrue. Starting a new performance period each year also gives the committee flexibility to adjust for new business conditions, circumstances or priorities in setting the performance metrics and goals for each three-year cycle. Performance units are assigned to each NEO at the beginning of each three-year period and provide the basis for the amount of awards made to each NEO under the LTIP. Performance units are designed to encourage management to deliver long-term value. Performance units reinforce Hecla's business strategy by clearly establishing our key performance elements (e.g., reserve growth, production growth, cash flow, and relative TSR) and the associated long-term performance objectives that must be met for us to be successful and create value for shareholders.

2016-2018 LTIP. In February 2016, the committee approved the 2016-2018 LTIP, which has a target unit value of $100 and a maximum potential value of $375. Performance units are paid out in the first half of the year following the end of each performance period, upon approval by the committee. At the discretion of the committee, the payouts may be in the form of cash, common stock, or a combination of both.

The tables below summarize the performance unit valuation ranges for silver equivalent reserve growth, production growth, cash contribution, and TSR for the 2016-2018 plan period – the four performance goals approved by the committee in February 2016. These are important goals for the following reasons:

Silver equivalent reserve growth. Silver equivalent reserve growth remains a fundamental value creator. We need to replace and add reserves to extend mine lives and grow production. This is critical to the achievement of our long-term success. In the context of this plan, reserves include the silver equivalent of gold but not base metals. Silver equivalent reserve and resource growth includes gold converted to silver equivalent at 71 to 1.

Silver production growth. One of the most important components of value is demonstrable production growth.

Cash flow. The design of the cash flow goal is identical to that contained in prior years since silver cost per ounce and production are key elements in creating shareholder value. When used in the context of our LTIP, "cash flow" is measured by comparing (i) the actual cash cost, after by-product credits multiplied by actual silver/gold production versus (ii) budgeted cash cost, after by-product credits multiplied by the budgeted silver/gold production over a three-year period. "Cash cost, after by-product credits," a non-GAAP measure, includes all direct and indirect operating cash costs related directly to the physical activities of producing the primary metal, including mining, processing and other plant costs, third-party refining expense, on-site general and administrative costs, royalties and mining production taxes, and offsets that amount by the production value of all metals other than the primary metal produced at each unit.

TSR. TSR provides a performance metric relative to our peers. This objective differs from the other objectives which are focused on activities that in an absolute sense should be value drivers: reserves and resources, production, and cash contribution. TSR measures the price appreciation of our stock, including dividends paid during the performance period, and thereby simulates the actual investment performance of Hecla stock. Any payout is based on how Hecla's TSR performance compares to the TSR of the common stock of a group of our peer companies.

Table of Contents

Compensation Discussion and Analysis

2016-2018 Long-term Incentive Plan

Silver Equivalent (includes Gold) Reserve Growth

Ounce Target (millions)	Additional Reserve (millions)	Unit Value
423	100	$100.00
363	40	$ 50.00
353	30	$ 25.00
323	0	$ 5.00

Silver Equivalent (includes Gold) Production Growth

Target (in mm ozs.)	Average Annual Target (in mm ozs.)	Unit Value
93.0	31.0	$75.00
89.5	29.5	$ 50.00
87.0	29.0	$ 25.00
84.0	28.0	$ 10.00

Cash Flow

% of Target	Unit Value	
115%	$	100.00
110%	$	50.00
105%	$	35.00
100%	$	25.00
90%	$	15.00

Total Shareholder Return

%ile rank within Peer Group Companies	Unit Value	
100%	$	100.00
90%	$	75.00
80%	$	50.00
70%	$	35.00
60%	$	25.00
50%	$	15.00
<50%	$	0.00

2016-2018 LTIP Performance Summary

Performance Measure	Target	Actual Performance	% of Target		Value Earned Per Unit	
Silver Reserve Growth	30.0 silver equivalent oz. added (millions)	70.6 silver equivalent oz. added (millions)	235	%	$	75.50
Production Growth	87.0 silver equivalent oz. added (millions)	91.8 silver equivalent oz. added (millions)	105	%	$	66.25
Cash Flow	$847 cash flow (millions)	$795 cash flow (millions)	94	%	$	19.00
Total Shareholder Return	60% Hecla ranking vs. peers	<50% Hecla ranking vs. peers	41.7	%	$	0
Total Earned Per Unit					**$**	**160.75**

During this three-year period, performance in reserve and production growth exceeded target levels. Performance in cash flow was below target, but above minimum threshold levels, and TSR was below the minimum level. As a result, with a range in potential value per unit of $0 to $375, in February 2019, the committee determined that the total 2016-2018 LTIP payout was $160.75 per unit. The committee and the Board further approved payout of the LTIP awards to be 100% in Hecla common stock issued under the 2010 Stock Incentive Plan.

Compensation Discussion and Analysis

2016-2018 LTIP Award Summary

The following chart shows the number of performance units awarded in 2016 to each NEO, the unit value achieved, the total amount of the award (number of units x $160.75 = total award value), and the amount of equity received.

Name	2016-2018 Performance Units (#)		Unit Value ($)	Total Amount of Award[(1)] ($)	Equity Received[(2)] (#)
Phillips S. Baker, Jr.	9,500		160.75	1,527,125	663,967
Lindsay A. Hall	3,383	(3)	160.75	543,817	236,442
Lawrence P. Radford	4,200		160.75	675,150	293,543
Dr. Dean W.A. McDonald	3,000		160.75	482,250	209,674
Robert D. Brown	2,400		160.75	385,800	167,739

(1) The amount reported in this column was paid in equity to the NEO and is also reported in the Summary Compensation Table for 2018 on page 66 under "Non-Equity Incentive Plan Compensation."

(2) The equity portion of the 2016-2018 LTIP award was determined by dividing the cash value of the award by the closing price of the Company's common stock on the NYSE on March 11, 2019 ($2.30).

(3) Mr. Hall's 2016-2018 LTIP units were prorated because he joined the Company in July 2016.

Equity

Restricted Stock Units

Restricted stock units ("RSUs") are granted to the NEOs under the 2010 Stock Incentive Plan. RSUs are used to retain our NEOs and align their interests with the long-term interests of our shareholders. The committee awarded RSUs to each NEO in June 2018. The RSUs vest in three equal amounts with vesting dates of June 21, 2019, June 21, 2020, and June 21, 2021. See *Grants of Plan-Based Awards for 2018* on page 68.

In December 2014, the committee amended the 2010 Stock Incentive Plan and Key Employee Deferred Compensation Plan so that any RSUs vesting after 2014 would no longer be credited with dividend equivalents. In February 2017, the committee amended the 2010 Stock Incentive Plan so unvested RSUs are forfeited by participants upon termination of employment in advance of vesting, with the exception of termination due to retirement if certain criteria are met. In the case of an employee retiring before the amendment, RSU recipients aged 55 or above, and who had at least 10 years of service, were eligible to receive their unvested RSUs. For 2017, and future awards, in order to incentivize RSU recipients to continue working for the Company, the committee amended the RSU awards to require both an age and years of service trigger in order to qualify for vesting of the RSUs as of the employee's retirement. The amendment provides that for purposes of the RSU awards, RSU recipients who retire under Hecla Mining Company's Retirement Plan must be at least age: (i) 60 and have 15 or more years of service with the Company; (ii) 65 and have seven or more years of service with the Company; or (iii) 68, in order to receive their unvested RSUs after retirement. If one of the above requirements are met, the recipient will receive their RSUs on the original vesting dates. In 2014, we amended our change in control agreements to provide for a "double-trigger". However, our 2010 Stock Incentive Plan provided for a single-trigger because we felt the single-trigger was appropriate for our other employees who receive equity under the plan, but who do not have change in control agreements. In 2018, one of the proxy advisory firms recommended voting against Hecla's Say-on-Pay advisory vote at our 2018 Annual Meeting because of a single-trigger requirement in the 2010 Stock Incentive Plan. In December 2018, we amended our 2010 Stock Incentive Plan to provide for a double-trigger.

Table of Contents

Compensation Discussion and Analysis

In 2018, we granted RSUs to 186 employees under the 2010 Stock Incentive Plan, including the NEOs as follows:

NEO	Value of Restricted Stock Units	Target Number of Shares(1)
Phillips S. Baker, Jr.	$500,000	130,548
Lawrence P. Radford	$450,000	117,493
Lindsay A. Hall	$300,000	78,329
Dr. Dean W.A. McDonald	$250,000	65,274
Robert D. Brown	$200,000	52,219

(1) Number of shares is determined by dividing the value of the restricted stock units awarded by the closing price of our common stock on the NYSE on June 19, 2018 ($3.83).

Performance-based Shares

We grant performance-based share awards to certain executive officers, including our NEOs. The value of the awards is based on the ranking of the market performance of our common stock relative to the performance of the common stock of a group of peer companies over a three-year measurement period. The number of shares to be issued is based on the target value of the awards divided by the share price at grant date. The compensation cost is measured using a Monte Carlo simulation to estimate their value at grant date.

In June 2018, the committee granted performance-based shares to our NEOs, with a target value listed below. The value of these performance-based shares will be based on the TSR of our common stock for the three-year period from January 1, 2018 through December 31, 2020, based on the percentile rank listed below within a group of peer companies.

NEO	Target Value of Performance-based Shares	Target Number of Shares(1)
Phillips S. Baker, Jr.	$600,000	156,658
Lawrence P. Radford	$300,000	78,329
Lindsay A. Hall	$165,000	43,081
Dr. Dean W.A. McDonald	$130,000	33,943
Robert D. Brown	$130,000	33,943

(1) Target number of shares is determined by dividing the target value of the performance-based shares by the closing price of our common stock on the NYSE on June 19, 2018 ($3.83).

Company TSR Rank Among Peers	TSR Performance Multiplier
50th percentile	Threshold award at 50% of target
60th percentile	**Target award at grant value**
100th percentile	Maximum award at 200% of target

If Hecla's performance is below the 50th percentile, the award is zero. If Hecla's performance is between the 50th and 100th percentile, the award is prorated. For any award, the number of shares issued at the conclusion of the three-year performance period (December 31, 2020) will be determined by using the share price on the date of original grant (June 19, 2018) of $3.83.

Hecla's TSR performance versus that of our peer group will be based on the average closing share price over the last sixty (60) calendar days prior to January 1, 2018, as the base price and average closing share price over the last sixty (60) calendar days of the three-year performance period to determine relative share value performance and ranking among peers.

The industry peer group used for purposes of the 2018-2020 TSR performance-based award discussed above is listed on page 41.

Compensation Discussion and Analysis

CEO 2016-2018 Performance-based Share Results

On June 7, 2016, the committee granted a target award of 113,636 performance-based shares of Hecla's common stock to our CEO.

To determine the relative share performance, Hecla's TSR performance versus that of peer group companies was based on the average closing share price over the last sixty (60) calendar days prior to January 1, 2016, as the base price, compared with the average closing share price over the last sixty (60) calendar days of the three-year performance period (ending December 31, 2018).

The following table shows the calculation of the performance-based share results at the end of the three-year performance period on December 31, 2018. Hecla's TSR ranked 8th among the 13 companies in the peer group based on TSR from 2016 through 2018, including dividends paid during that period. Ranking 8th places Hecla at 41.7% among the peer companies, which equates to an award value to our CEO of $0.

Total Shareholder Return – January 1, 2016 through December 31, 2018

Peer Name	Average Stock Price over 60-day period leading up to 1/1/2016 ($)	Average Stock Price over 60-day period leading up to 12/31/18 ($)	Dividends Paid (1/1/16 thru 12/31/18) ($)	TSR thru 12/31/18 (%)	Rank (#)	Payout ($)
B2Gold	1.48	3.53	0.00	100.0	1	1,000,000
IAMGOLD	1.49	3.35	0.00	91.7	2	895,833
SSR Mining*	5.45	11.16	0.00	83.3	3	791,667
Pan American Silver	6.86	13.74	0.29	75.0	4	687,500
Coeur Mining	2.60	4.37	0.00	66.7	5	583,333
TARGET PAYOUT						**500,000**
First Majestic Silver	3.20	5.32	0.00	58.3	6	458,333
Endeavour Silver	1.45	1.99	0.03	50.0	7	250,000
THRESHOLD PAYOUT						0
Hecla	**1.96**	**2.42**	**0.03**	**41.7**	**8**	**0**
Alamos Gold	3.23	3.44	0.06	33.3	9	0
Centerra Gold	7.18	5.47	0.12	25.0	10	0
Detour Gold	13.83	10.43	0.00	16.7	11	0
Tahoe Resources	8.48	3.32	0.43	8.3	12	
New Gold	2.30	0.81	0.00	0.0	13	0
Primero Mining**						0

* SSR Mining was previously called Silver Standard Resources.
** Primero Mining was acquired by First Majestic Silver and was removed from the TSR peer group.

Stock Options. For the past eight years, we have not issued any stock options to our NEOs (or any other employee). Any stock options granted under the 2010 Stock Incentive Plan will be issued with an exercise price based on the fair market value (the closing sales price of our common stock on the NYSE on the date of grant).

Other

Nonqualified Deferred Compensation Plan. We maintain the Key Employee Deferred Compensation Plan (the "KEDCP"), a nonqualified deferred compensation plan, under which participants may defer all or a portion of their annual base salary, performance-based compensation awarded under our AIP and LTIP, and RSUs granted under the 2010 Stock Incentive Plan. Participants may elect to have their deferred base salary and AIP or LTIP awards valued based on Hecla common stock and credited to a stock account. Deferred RSUs are credited to a stock account. The KEDCP provides for discretionary matching contributions on base salary, AIP and LTIP amounts deferred to a stock account and discretionary company contributions that are credited to a participant's stock account. The deferral features promote alignment of the interests of participants with those of our shareholders. Investment accounts are credited monthly with an amount based on the prime rate for corporate borrowers. Participants receive distributions from their accounts only upon separation from service with us, a fixed date or schedule selected by the participant, death, disability, an unforeseeable emergency or a change in control, as these events are defined under Section 409A of the Internal Revenue Code. The amounts deferred are unfunded and unsecured obligations of Hecla, receive no preferential standing, and are subject to the same risks as any of our other general obligations. Additional details about the KEDCP are described in the narrative accompanying the *Nonqualified Deferred Compensation* for 2018 table on page 72.

Table of Contents

Benefits. We provide our employees with a benefits package that is designed to attract and retain the talent needed to manage Hecla. As part of that, most U.S, salaried employees, including the U.S. NEOs, are eligible to participate in the Hecla Mining Company Retirement Plan, a 401(k) plan, which includes matching contributions by Hecla of up to 6%, health, vision, dental coverage, and paid time off, including vacations and holidays. All Canadian salaried employees, including the Canadian NEOs, are eligible to participate in a similar benefits package. NEOs are eligible to receive certain additional benefits, as described below. The committee intends for the type and value of such benefits offered to be competitive with general market practices.

Other Qualified and Nonqualified Benefit Plans. Under the Retirement Plan, upon normal retirement, each participant is eligible to receive a monthly benefit equal to a certain percentage of final average annual earnings for each year of credited service. Additional details about the Retirement Plan are in the narrative accompanying the Pension Benefits table on page 71. Under Hecla's unfunded Supplemental Excess Retirement Plan, the amount of any benefits not payable under the Retirement Plan because of the limitations imposed by the Internal Revenue Code and/or the Employee Retirement Income Security Act, and certain reductions of benefits, if any, due to a deferral of salary made under our KEDCP, may be paid out of our general funds to employees who are adversely affected. The Retirement Plan and Supplemental Excess Retirement Plan define earnings for purposes of the plans to include base salary plus any other cash incentives up until July 1, 2013, after which only base salary plus one-half of AIP compensation is included (no LTIP compensation is included).

Personal Benefits. We do not provide company-paid cars, country club memberships, or other similar perquisites to our executives. The only material personal benefit provided by Hecla is a relocation benefit, which is offered as needed to meet specific recruitment needs.

Clawback Policy

At its February 2013 meeting, the committee adopted a clawback policy with respect to incentive awards to executive officers. The policy provides that in the event of a restatement of our financial results as a result of material non-compliance with financial reporting requirements, the Board will review incentive compensation that was paid to our current and former executive officers under the Company's AIP and LTIP (or any successor plans) based solely on the achievement of specific corporate financial goals ("Incentive Award") during the period of the restatement. If any Incentive Award would have been lower had it been calculated based on the Company's restated financial results, the Board will, as and to the extent it deems appropriate, including with respect to intent or level of culpability of the relevant individual(s), seek to recover from any executive officer, any portion of an Incentive Award paid in excess of what would have been paid based on the restated financial results. The policy does not apply in any situation where a restatement is not the result of material non-compliance with financial reporting requirements, such as any restatement due to a change in applicable accounting rules, standards or interpretations, a change in segment designations or the discontinuance of an operation.

In December 2015, the committee amended each of our incentive plans (AIP, LTIP, KEDCP, and 2010 Stock Incentive Plan) to include a clawback provision consistent with the clawback policy described above.

Insider Trading Policy

Our insider trading policy prohibits all directors, executive officers (as defined under Section 16 of the Exchange Act) and certain other employees designated as insiders from purchasing or selling any Company securities three weeks before through two days after the public release of any of our periodic results (including the filing of any Form 10-Q or Form 10-K), or at any other time during the year while in possession of material non-public information about the Company. In addition, directors and officers are prohibited from short-term trading, short sales, options trading, trading on margin, hedging or pledging any securities of the Company.

Change in Control Agreements

We have entered into change in control agreements ("CIC Agreements") with each of our NEOs. Under the terms of our CIC Agreements, the CEO and the other NEOs are entitled to payments and benefits upon the occurrence of specified events, including termination of employment (with or without cause) following a change in control of the Company. The specific terms of these arrangements, as well as an estimate of the compensation that would have been payable had they been triggered as of fiscal year-end, are described in detail in the section entitled *Potential Payments Upon Termination or Change in Control* on page 73.

The termination of employment provisions of the CIC Agreements were entered into to address competitive concerns when the NEOs were recruited to Hecla by providing these individuals with a fixed amount of compensation that would offset the risk of leaving their prior employer or foregoing other opportunities to join the Company. At the time of entering into these arrangements, the committee considered the aggregate potential obligations of the Company in the context of the desirability of hiring the individual and the expected compensation upon joining Hecla.

The committee believes that these CIC Agreements are important for a number of reasons, including providing reasonable compensation opportunities in the unique circumstances of a change in control that are not provided by other elements of our compensation program. Further, change in control benefits, if structured appropriately, serve to minimize the distraction caused by a potential transaction and reduce the risk that key executives will leave Hecla before a transaction closes. The committee also believes that these agreements motivate the executives to make decisions that are in the best interests of our shareholders in the event of a pending change in control. These agreements provide executives with the necessary job stability and financial security during a change in control transaction and the subsequent period of uncertainty to help them stay focused on managing Hecla rather than on their own personal employment situation. The committee believes that all these objectives serve our shareholders' interests. The committee also believes that change in control provisions are an essential component of the executive compensation program and are necessary to attract and retain senior talent in the highly competitive talent market in which we compete.

The change in control provisions were developed by the Company and the committee based on market and industry competitive practices. The Company and the committee periodically review the benefits provided under the CIC Agreements to ensure that they serve our interests in retaining our key executives, are consistent with market and industry practice, and are reasonable.

Tax and Accounting Considerations

Our compensation programs are affected by each of the following:

Accounting for Stock-Based Compensation. We take into account certain requirements of GAAP in determining changes to policies and practices for our stock-based compensation programs.

Section 162(m) of the Internal Revenue Code. Section 162(m) of the Internal Revenue Code of 1986, as amended ("Code Section 162(m)"), generally provides that compensation in excess of $1 million paid to the CEO and certain other NEOs ("covered employees") of a public company will not be deductible for U.S. federal income tax purposes.

Our primary objective in designing and administering our compensation policies is to support and encourage the achievement of our strategic goals and to enhance long-term shareholder value. We also believe that it is important to preserve flexibility in administering compensation programs. For these and other reasons, the committee has determined that it will not necessarily seek to limit executive compensation to the amount that would be fully deductible under Code Section 162(m).

Effective for taxable years beginning after December 31, 2017, the exemption from Code Section 162(m) for performance-based compensation was repealed in the tax reform legislation signed into law on December 22, 2017. Thus, it is anticipated that future compensation in excess of $1 million paid to covered employees will not be deductible for U.S. federal income tax purposes.

The committee will continue to monitor developments and assess alternatives for managing the deductibility of compensation payments and benefits to the extent reasonably practicable, as determined by the committee to be consistent with our compensation policies and in the best interests of the Company and our shareholders.

Section 409A of the Internal Revenue Code. Section 409A imposes additional significant taxes in the event that an executive officer or director receives "deferred compensation" that does not satisfy the requirements of Section 409A. We believe that we have designed and operated our plans appropriately to comply with Section 409A.

Table of Contents

FUTURE COMPENSATION ACTIONS

2019 Short-term Incentive Plan

The plan was formerly named “Annual Incentive Plan”, but in February 2019, we renamed the plan to Short-term Incentive Plan (“STIP”). The changed name more accurately reflects the way the plan works, as the qualitative and discretionary factors are measured over a time period that extends beyond the calendar year. Furthermore, eligibility for payment under the plan requires that employees be on the payroll roster at the time the bonus is paid. A change in the name of the plan helps reinforce to our employees that both eligibility under the plan and the goal measurement timeframe under the plan extend beyond the calendar year. The factors for the STIP may be modified by the committee from time to time, including with respect to the relative weights:

- quantitative corporate performance factors comprising 50% of the targeted award;
- qualitative/other goals, comprising 25% of the targeted award; and
- a discretionary factor as determined by the committee, comprising 25% of the targeted award.

Each component can achieve two times the target with respect to the component, with the maximum total payout limited to two times the target award level (200%).

Quantitative Goals

The 2019 STIP is like the 2018 AIP. For the 2019 STIP, the quantitative corporate performance factors are divided into three factors (including weighting): production (20%), Adjusted EBITDA less capital (20%), and all injury frequency rate reduction (10%).

The production factor converts gold, lead and zinc to silver equivalent at ratios of 78 oz. silver to 1 oz. gold, 16.0 lb. lead, and 12.8 lb. of zinc. Our production target is 48.0 million silver equivalent ounces. Maximum payout is attained if production achieves 50.5 million ounces. The minimum payout is achieved if production is greater than 47.0 million ounces.

2019 Production Metrics

2019 Production in Silver Equivalent Ounces (includes all metals)

		Factor Value	
50.5mm	Maximum	40	%
48.0mm	**Target**	**20**	**%**
<47.0mm		0	%

The minimum threshold for the Adjusted EBITDA less capital goal is <$40 million. The maximum limit is $75 million, and target is set at $60 million.

2019 Adjusted EBITDA Less Capital Metrics

		Factor Value	
$75mm	Maximum	40	%
$60mm	**Target**	**20**	**%**
< $40m		0	%

The all injury frequency rate reduction target is 5%. The 2018 national all injury frequency rate was approximately 2.4. Hecla’s actual rate was 2.0 in 2018. A 5% reduction from our low 2018 rate would result in a rate of 1.90 as the target. A 10% reduction would result in a rate of 1.80 as the maximum threshold, and a flat rate, or

a 2019 all injury frequency rate of 2.00,
would result in no payout.

2019 All Injury Frequency Rate Reduction Metrics

		Factor Value	
10%	Maximum	20	%
5%	**Target**	**10**	**%**
0%		0	%

Table of Contents

Future Compensation Actions

Qualitative Goals

There are over 100 qualitative goals that are recommended by management, approved by the committee, and cover the areas of safety and health, environmental, technology and innovation, continuous improvement, operations, financial and cost controls, balance sheet management, employee development, benefit plans, acquisitions, mine life extension, exploration and reserve growth, investor relations, government and community affairs, and legal. These qualitative goals are recognized and treated as commonly shared goals among all functions and locations.

Outstanding Long-term Incentive Plan Periods

Below we provide the current three-year LTIP periods that are outstanding.

2017-2019 LTIP

In February 2017, the committee approved the 2017-2019 LTIP, which has a target unit value of $100. The 2017-2019 LTIP has four factors, three of which are repeat factors from the 2016-2018 LTIP, with a maximum potential payout of $375 per unit. The three factors include: silver equivalent reserve growth (gold is converted into silver equivalent at a ratio of 71 to 1), silver equivalent production growth (includes silver and gold, but not base metals), and total shareholder return. The fourth factor is mine site operating cash flow less capital, which replaces the cash flow goal from previous plans. This goal also includes the impact associated with any acquisitions (or dispositions) of operating mine sites.

Silver Equivalent (includes Gold) Reserve Growth

Ounce Target (millions)	Additional Reserve (millions)	Unit Value	
405.6	90	$	75.00
375.6	60	$	50.00
345.6	30	$	25.00
315.6	0	$	5.00

Silver Equivalent (includes Gold) Production Growth

Target (in mm ozs.)	Average Annual Target (in mm ozs.)	Unit Value	
100.0	33.3	$	100.00
96.0	32.0	$	75.00
93.0	31.0	$	50.00
90.0	30.0	$	25.00
85.0	28.3	$	10.00

Mine Site Operating Cash Flow Less Capital

Cash Target (millions)	Unit Value	
$375	$	100.00
$350	$	50.00
$300	$	25.00
$250	$	5.00

Total Shareholder Return

%ile rank within Peer Group Companies	Unit Value	
100%	$	100.00
90%	$	90.00
80%	$	75.00
70%	$	50.00
60%	$	30.00
50%	$	25.00
<50%	$	0.00

Future Compensation Actions

2018-2020 LTIP

In February 2018, the committee approved the 2018-2020 LTIP, which has a target unit value of $100. The 2018-2020 LTIP has four factors, which are repeat factors from the 2017-2019 LTIP, with a maximum potential payout of $375 per unit. The four factors include: silver equivalent reserve growth (gold is converted into silver equivalent at a ratio of 71 to 1), silver equivalent production growth (includes silver and gold, but not base metals), total shareholder return and mine site operating cash flow less capital.

Silver Equivalent (includes Gold) Reserve Growth

Silver Equivalent Ounce Target (millions)	**Additional Reserve (millions)**	**Unit Value**	
427.6	90	$	75.00
397.6	60	$	50.00
367.6	30	$	25.00
337.6	0	$	10.00

Silver Equivalent (includes Gold) Production Growth

Target (in mm ozs.)	**Average Annual Target (in mm ozs.)**	**Unit Value**	
105.0	35.0	$	100.00
96.0	32.0	$	75.00
90.0	30.0	$	50.00
86.0	28.7	$	25.00
80.0	26.7	$	10.00

Mine Site Operating Cash Flow Less Capital

Cash Target (millions)	**Unit Value**	
$425	$	100.00
$375	$	50.00
$350	$	25.00
$330	$	10.00

Total Shareholder Return