

## **What is Hecla's Base Wage Proposal?**

Hecla proposes to increase base wages by a minimum of \$6 per hour. This increase is a combination of increasing base pay and converting the silver price premium into base wages. Most employees will receive pay increases greater than \$6 per hour and some employees with greater experience and skills will receive in excess of \$8 per hour. The silver price premium is converted into base wages because of disagreement on how to reset the Silver Price Premium trigger point due to increased operating costs. Hecla will guarantee the \$6 per hour minimum pay increase for one year to allow employees time to acquire the skills at their mapped Tech level.

## **How Can You Further Increase Your Base Wage?**

The Progression System allows you to further increase your base wage when you expand your skill set. Within one year, mechanics and electricians have the potential to increase base wages by up to \$4 per hour, and mine and mill employees have the potential to increase base wages by up to \$2.25 per hour. These base wage increases can be accomplished by acquiring additional skills and advancing just one Tech level.

## **How Does the Base Wage Increase Impact You?**

An increased base wage means more money for you and your family than under the terms of the expired contract. The benefits are significant with guaranteed higher base wages that no longer are dependent upon silver prices. In addition to a higher guaranteed base wage, your increased base wage increases overtime, vacation, and holiday pay.

- **Vacation and Holiday Pay:** Employees on 12-hour shifts earn between \$70 and \$100 more per shift for vacation or holidays, as compared to the amount of pay earned under the expired contract.
- **Overtime:** The increased base wage increases the time-and-one-half rate by \$3 to \$4 per hour. Hecla expects overtime pay to significantly increase when compared to the overtime paid under the expired contract.
- The additional Tech level for mechanics and electricians allows for increases in base wages by acquiring needed skills for new technologies.

## **Check for Yourself - Do the Math**

We invite you to review the proposed wage scale on the back of this page and do the math. Compare the full impact of the proposed base wage increase to your base wage under the expired contract. You will make more money under Hecla's proposal than under the terms of the expired contract.

### Proposed Wage Scale

Positions	Tech Level	Years 1-3	Year 4	Year 5	Year 6
Entry Laborer	T1	19.50	19.85	20.20	20.50
Support, Surface, Construction, Miner, Hoistman, Mill Operator, Mill Mechanic, Mine Mechanic, Electrician	T2	21.00	21.35	21.75	22.15
	T3	22.75	23.15	23.55	24.00
	T4	24.75	25.20	25.65	26.10
	T5	27.00	27.50	28.00	28.50
Mill Mechanic, Mine Mechanic, Electrician	T6	31.00	31.55	32.15	32.75
Master Mechanic, Master Electrician	T7	33.00	33.60	34.25	34.90

For permanent employees whose base wages do not transfer to the Tech level system with a minimum of a \$6 per hour increase, Hecla will, for one year, make an hourly wage adjustment to ensure the \$6 per hour minimum increase to allow the employee to acquire skills that map to the established level.

Additional details about the negotiation process and Hecla's proposal are available on Hecla's web page: <http://luckyfriday.hecla-mining.com/>.