

COEUR D ALENE MINES CORP

Form DEF 14A

March 29, 2010

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**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

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
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Coeur d Alene Mines Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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COEUR D ALENE MINES CORPORATION
505 Front Avenue
Post Office Box I
Coeur d Alene Idaho 83816

Dear Shareholder:

In 2009, your Company took a number of steps to deliver robust production growth and substantial, sustainable cash flows from two new silver mines that rank among the world's largest.

At this year's Annual Meeting of Shareholders, the Board of Directors recommends you vote YES on the following proposals that will continue positioning your Company for the future:

Elect our Board of Directors;

Adopt an amendment and restatement of the Coeur d Alene Mines Corporation 2003 Long-Term Incentive Plan;

Ratify the appointment of KPMG as our independent registered public accounting firm; and

Transact such other business that properly comes before the Annual Meeting.

We hope you will attend this year's Annual Meeting of Shareholders, to be held at The Coeur d Alene Resort and Conference Center, Second Street and Front Avenue, Coeur d Alene, Idaho at 9:30 a.m., local time, on May 11, 2010.

Only shareholders of record at the close of business on March 22, 2010 are entitled to notice of, and to vote at, the Annual Meeting.

Respectfully,

/s/ Dennis E. Wheeler

DENNIS E. WHEELER,
*Chairman of the Board, President
and Chief Executive Officer*

Coeur d Alene, Idaho
March 30, 2010

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COEUR D ALENE MINES CORPORATION
505 Front Avenue
Post Office Box I
Coeur d Alene Idaho 83816

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder:

Notice is hereby given that our Annual Meeting of Shareholders will be held at The Coeur d Alene Resort and Conference Center, Second Street and Front Avenue, Coeur d Alene, Idaho, on Tuesday, May 11, 2010, at 9:30 A.M., local time, for the following purposes:

1. Elect nine directors to serve for the ensuing year and until their respective successors are duly elected and qualified;
2. Adopt an amendment and restatement of the Coeur d Alene Mines Corporation 2003 Long-Term Incentive Plan;
3. Ratify the appointment of KPMG as our independent registered public accounting firm; and
4. Transact such other business as properly may come before the Annual Meeting.

Nominees for directors to be elected at the Annual Meeting are set forth in the enclosed Proxy Statement.

Only shareholders of record at the close of business on March 22, 2010, the record date fixed by the Board of Directors, are entitled to notice of, and to vote at, the Annual Meeting.

YOUR VOTE IS IMPORTANT

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 11, 2010. OUR PROXY STATEMENT IS ATTACHED. FINANCIAL AND OTHER INFORMATION CONCERNING COEUR IS CONTAINED IN OUR 2009 ANNUAL REPORT TO SHAREHOLDERS. YOU MAY ACCESS THIS PROXY STATEMENT AND OUR 2009 ANNUAL REPORT TO SHAREHOLDERS AT <http://bnymellon.mobular.net/bnymellon/cde>

Whether or not you plan to attend the Annual Meeting of Shareholders, we urge you to vote and submit your proxy in order to ensure the presence of a quorum.

Registered holders may vote:

1. By Internet: go to <http://www.proxyvoting.com/cde>
2. By toll-free telephone: call 1-866-540-5760; or
3. By mail (if you received a paper copy of the proxy materials by mail): mark, sign, date and promptly mail the enclosed proxy card in the postage-paid envelope.

Beneficial Shareholders. If your shares are held in the name of a broker, bank or other holder of record, follow the voting instructions you receive from the holder of record to vote your shares.

By order of the Board of Directors,

/s/ Dennis E. Wheeler

DENNIS E. WHEELER
*Chairman of the Board, President and
Chief Executive Officer*

Coeur d Alene, Idaho
March 30, 2010

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COEUR D ALENE MINES CORPORATION

PROXY STATEMENT

2010 ANNUAL MEETING OF SHAREHOLDERS

MAY 11, 2010

General

This proxy statement is furnished in connection with the solicitation by our Board of Directors of proxies of shareholders for shares to be voted at the Annual Meeting of Shareholders to be held at The Coeur d Alene Resort and Conference Center, Second Street and Front Avenue, Coeur d Alene, Idaho, on Tuesday, May 11, 2010, at 9:30 A.M., and any and all adjournments or postponements thereof.

Any shareholder executing a proxy has the right to revoke it at any time prior to its exercise by giving notice to our Secretary.

This proxy statement and the accompanying proxy are first being made available to our shareholders on or about March 30, 2010.

Pursuant to applicable Idaho law, there are no dissenters or appraisal rights relating to the matters to be acted upon at the Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials for Annual Meeting of Shareholders to be Held on May 11, 2010: The Company's Proxy Statement and Annual Report to Shareholders are available at <http://bnymellon.mobular.net/bnymellon/cde>.

VOTING SECURITIES

All shareholders of record as of the close of business on March 22, 2010 are entitled to vote at the Annual Meeting and any adjournment or postponement thereof upon the matters listed in the Notice of Annual Meeting. Each shareholder is entitled to one vote for each share held of record on that date. As of the close of business on March 22, 2010, a total of 82,711,823 shares of our common stock were outstanding.

Shares represented by a proxy will be voted according to the instructions, if any, given in the proxy. Unless otherwise instructed, the person or persons named in the proxy will vote:

FOR the election of the nine nominees for directors listed herein (or their substitutes in the event any of the nominees is unavailable for election);

FOR the adoption of the amendment and restatement of the Coeur d Alene Mines Corporation 2003 Long-Term Incentive Plan;

FOR the ratification of KPMG as our independent registered public accounting firm; and

in their discretion with respect to such other business as properly may come before the Annual Meeting.

If you received a paper copy of the proxy materials by mail and wish to vote your proxy by mail, mark your vote on the enclosed proxy card; then follow the directions on the card. To vote your proxy using the Internet or by telephone, see the instructions set forth on the Notice of Annual Meeting of Shareholders included with this proxy statement or the Notice of Internet Availability of Proxy Materials mailed to our shareholders on or about March 30, 2010. Your shares will be voted according to your directions. If you sign and return but do not mark any selections on your proxy card, your shares will be voted as recommended by the Board of Directors.

Approval of each of the proposals requires the affirmative vote of a majority of the shares represented at the Annual Meeting in person or by proxy, and, with regard to Proposal No. 2, that shareholders holding a majority of the shares outstanding on the record date cast votes.

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Votes cast by proxy or in person at the Annual Meeting will be tabulated by the inspectors of election appointed by us for the meeting. The number of shares represented at the meeting in person or by proxy will determine whether or not a quorum is present. The inspectors of election will treat abstentions and broker non-votes as shares that are present and entitled to vote for purposes of determining the presence of a quorum but as unvoted for purposes of determining the approval of any matter submitted to the shareholders for a vote. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered as present and entitled to vote by the inspectors of election with respect to that matter.

If you hold your shares in street name in a brokerage account, it is critical that you cast your vote if you want it to count in the election of directors (Proposal No. 1 of this proxy statement). In the past, if you held your shares in street name and you did not indicate how you wanted your shares voted in the election of directors, your broker was allowed to vote those shares on your behalf in the election of directors as they felt appropriate. Recent changes in regulation take away the ability of your broker to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your broker how to vote in the election of directors, no votes will be cast on your behalf. Your broker will, however, continue to have discretion to vote any uninstructed shares on the ratification of the appointment of the Company's independent registered public accounting firm (Proposal No. 3 of this proxy statement). As in the past, they will not have discretion to vote uninstructed shares on the adoption of the amendment and restatement of the Coeur d'Alene Mines Corporation 2003 Long-Term Incentive Plan (Proposal No. 2 of this proxy statement).

If you are a shareholder of record and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the Meeting.

We will bear the cost of soliciting proxies. Proxies may be solicited by directors, officers or regular employees in person or by telephone or telegram and acting without special compensation. We have retained Morrow & Co. LLC, Stamford, Connecticut, to assist in the solicitation of proxies. Morrow & Co. LLC's charge will be \$7,500 plus out-of-pocket expenses.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Director and Nominee Experience and Qualifications

The Board believes that the Board, as a whole, should possess a combination of skills, professional experience, and diversity of viewpoints necessary to oversee the Company's business. In addition, the Board believes that there are certain attributes that every director should possess, as reflected in the Board's membership criteria. Accordingly, the Board and the Nominating and Corporate Governance Committee consider the qualifications of directors and director candidates individually and in the broader context of the Board's overall composition and the Company's current and future needs.

The Nominating and Corporate Governance Committee reviews and makes recommendations regarding the composition and size of the Board of Directors in order to ensure the Board has the requisite expertise and its membership consists of persons with sufficiently diverse and independent backgrounds. The Nominating and Corporate Governance Committee is responsible for developing and recommending Board membership criteria to the Board for approval. The Nominating and Corporate Governance Committee assesses the effectiveness of its criteria when evaluating new director candidates and when assessing the composition of the Board. This assessment enables the Board to update the skills and experience it seeks in the Board as a whole, and in individual directors, as the Company's needs evolve and change over time.

As set forth in our Corporate Governance Guidelines, the membership criteria includes issues of ethics, integrity and values, sound business judgment, professional experience, industry knowledge, and diversity of viewpoints all in the context of an assessment of the perceived needs of the Board at that point in time. The Board, as a whole, should possess a variety of skills, occupational and personal backgrounds, experiences and

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perspectives necessary to oversee the Company's business. In addition, Board members generally should have relevant technical skills or financial acumen that demonstrate an understanding of the financial and operational aspects of a large, complex organization like the Company, including the associated risks. In identifying director candidates from time to time, the Nominating and Corporate Governance Committee may establish specific skills and experience that it believes the Company should seek in order to constitute a balanced and effective board.

In evaluating director candidates, and considering incumbent directors for renomination, the Board and the Nominating and Corporate Governance Committee has not formulated any specific minimum qualifications, but rather will consider a variety of factors. These include each nominee's independence, financial acumen, personal accomplishments, career specialization, and experience in light of the needs of the Company. For incumbent directors, the factors include past performance on the Board. Among other things, the Board has determined that it is important to have individuals with the following skills and experiences on the Board:

Leadership experience, as directors with experience in significant leadership positions possess strong abilities to motivate and manage others and to identify and develop leadership qualities in others.

Knowledge of our industry, particularly mining of silver and gold, which is relevant to understanding the Company's business and strategy.

Operations experience, as it gives directors a practical understanding of developing, implementing and assessing the Company's business strategy and operating plan.

Legal experience, which is relevant to assisting with the Board's responsibilities to oversee the Company's legal and compliance matters.

Risk management experience, which is relevant to the Board's oversight of the risks facing the Company.

Financial/accounting experience, and particularly knowledge of finance and financial reporting processes, which is relevant to understanding and evaluating the Company's capital structure and financial statements.

Government/regulatory experience, which is relevant to the Company as it operates in a heavily regulated industry that is directly affected by governmental actions.

Strategic planning experience, which is relevant to the Board's review of the Company's strategies and monitoring their implementation and results.

Talent management experience, which is valuable in helping the Company attract, motivate and retain top candidates for positions at the Company.

International experience, which is particularly important given our global presence, particularly in Latin America.

Public company board service, as directors who have experience serving on other public company boards generally are well prepared to fulfill the Board's responsibilities of overseeing and providing insight and guidance to management.

Nine directors are to be elected at the Annual Meeting, each to serve for one year and until his successor is elected and qualified. Proxies will be voted at the Annual Meeting, unless authority is withheld, FOR the election of the nine persons named below. We do not contemplate that any of the persons named below will be unable, or will decline, to

serve; however, if any such nominee is unable or declines to serve, the persons named in the accompanying proxy may vote for a substitute, or substitutes, in their discretion.

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Nominee	Age	Director Since
<p>Dennis E. Wheeler Currently, Chairman of the Board, President and Chief Executive Officer of Coeur d Alene Mines Corporation. Chairman of the Board since May 1992; President from December 1980 to September 2002 and January 2005 to present; Chief Executive Officer since December 1986; Director since 1978. Member of the Board of Directors, as well as a member of the Executive Committee, of National Mining Association and The Silver Institute. Mr. Wheeler is additionally a member of the Board of Directors of World Gold Council. As the Company's Chairman of the Board, President and Chief Executive Officer, Mr. Wheeler brings to the Board leadership, industry, risk management, talent management and operations and strategic planning experience, as well as in-depth knowledge of the Company.</p>	67	1978
<p>James J. Curran Chairman of the Board and Chief Executive Officer of First Interstate Bank, Northwest Region (Alaska, Idaho, Montana, Oregon and Washington) from October 1991 to April 1996; Chairman, President and Chief Executive Officer of First Interstate Bank of Idaho, N.A. from July 1984 to March 1990. As the former Chairman of the Board and Chief Executive Officer of First Interstate Bank, Mr. Curran brings to the Board leadership, financial and accounting, risk management, talent management and strategic planning experience.</p>	70	1989
<p>John H. Robinson Chairman of Hamilton Ventures LLC (consulting and investment) since founding the firm in 2006; Chairman of EPCglobal Ltd. (professional engineering staffing) and Executive Director of MetiLinx Ltd. (software) from 2003 to 2004; Executive Director of Amey plc (business process outsourcing and construction) from 2000 to 2002; Vice Chairman and Managing Partner of Black & Veatch Inc. (engineering and construction) from 1989 to 2000; Member of the Board of Directors of Alliance Resource Management GP, LLC (coal mining); Olsson Associates; Federal Home Loan Bank of Des Moines; and COMARK Building Systems Inc (modular building systems). As a current or former chairman and executive director of various companies, Mr. Robinson possesses leadership, talent management, strategic planning and operations experience. Mr. Robinson also brings to the Board public company board experience.</p>	59	1998
<p>Robert E. Mellor Chairman, Chief Executive Officer and President of Building Materials Holding Corporation (distribution, manufacturing and sales of building materials and component products) from 1997 to 2009, director from 1991 to 2009; member of the Board of Directors of The Ryland Group (national residential home builder) since 1999 and member of the Board of Directors of Monro Muffler/Brake, Inc. (auto service provider) from 2002 to 2007. As the former Chairman of the Board and Chief Executive Officer of Building Materials Holding Corporation, Mr. Mellor brings to the Board leadership, risk management, talent management, operations and strategic planning experience. Building Materials Holding Corporation filed a voluntary petition under the federal bankruptcy code in 2009. Mr. Mellor also brings to the Board public company board experience through his service on the boards of The Ryland Group and Monro Muffler/Brake, Inc.</p>	66	1998
<p>Timothy R. Winterer President, Chief Operating Officer and Director of Western Oil Sands from January 2000 to December 2001; President and Chief Executive Officer of BHP World Minerals Corporation (international resources company) from 1997 to 1998; Senior Vice President and Group General</p>	73	1998

Manager, BHP World Minerals from 1992 to 1996; Senior Vice President, Operations International Minerals, BHP Minerals from 1985 to 1992; Executive Vice President, Utah Development Company from 1981 to 1985. Mr. Winterer brings to the Board leadership, international, operations, government/regulatory and industry experience through his various executive roles in the oil and mineral businesses.

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Nominee	Age	Director Since
<p>J. Kenneth Thompson President and CEO of Pacific Star Energy LLC (private energy investment firm in Alaska) from September 2000 to present; Managing Director of Alaska Venture Capital Group LLC (private oil and gas exploration company) from December 2004 to present; Executive Vice President of ARCO's Asia Pacific oil and gas operating companies in Alaska, California, Indonesia, China and Singapore from 1998 to 2000; President and CEO of ARCO Alaska, Inc., the parent Company's oil and gas producing division based in Anchorage from June 1994 to January 1998; Member of the Board of Directors of Horizon Air and Alaska Air Group, Inc., the parent corporation of Alaska Airlines and Horizon Air and is also a member of the Board of Directors of Tetra Tech, Inc. (engineering consulting firm). Through Mr. Thompson's various executive positions, including in the role of CEO, he brings to the Board leadership, risk management, talent management, operations, strategic planning and industry experience. Mr. Thompson also has government and regulatory experience through his work in other highly regulated industries such as the oil and gas, energy and airline industries and possesses public company board experience.</p>	58	2002
<p>Andrew Lundquist Managing Partner of BlueWater Strategies LLC (business and government relations consulting and project management firm) since he founded the firm in 2002; Director of Pioneer Natural Resources Company (oil and gas company); previously served as a Director of Evergreen Resources (natural gas exploration and production company) from 2002 to 2004; Director of the National Energy Policy Development Group and senior energy advisor to the President and Vice-President of the United States from 2001 to 2002; Majority Staff Director of the Senate Committee on Energy and Natural Resources from 1998 to 2001; Chief of Staff for Senator Frank Murkowski from 1996 to 1998; and counsel for the Senate Energy Committee from 1995 to 1996. Mr. Lundquist brings to the Board government/regulatory, leadership, talent management, and strategic planning experience through his work as Managing Partner of BlueWater Strategies and other executive positions in the oil and gas exploration industry, as well as through his work as the Director of the National Energy Policy Development Group and with the Senate Committee on Energy and Natural Resources.</p>	49	2005
<p>Sebastian Edwards Henry Ford II Professor of International Business Economics at the Anderson Graduate School of Management at the University of California, Los Angeles (UCLA) from 1996 to present; Chairman of the Inter American Seminar on Economics from 1987 to present; member of the Scientific Advisory Council of the Kiel Institute of World Economics in Germany from 2002 to present; research associate at the National Bureau of Economic Research from 1981 to present; previously served as President of the Latin American and Caribbean Economic Association from 2001 to 2003 and as Chief Economist for the World Bank Group for the Latin America and Caribbean Region from 1993 to 1996; taught at IAE Universidad Austral in Argentina and at the Kiel Institute from 2000 to 2004. As a professor of International Business, as well as through various positions relating to Latin American economics, Mr. Edwards brings to the Board international, government, economics and financial experience.</p>	56	2007
<p>L. Michael Bogert Attorney at Law, Crowell & Moring LLP, Washington, D.C. since April 2009; Counselor to the Secretary, United States Department of the Interior, from July 2006 to January 2009; Regional Administrator, United States Environmental Protection Agency, Region X, from August 2005</p>	52	2009

to June 2006; Of Counsel, Perkins Coie, LLP, Boise, Idaho from September 2004 to July 2005; Counsel to Idaho Governor Dirk Kempthorne, from January 1999 to August 2004; Counsel to the Office of California Governor-Elect Arnold Schwarzenegger, 2003. Through his work at the Department of the Interior as well as the Environmental Protection Agency, Mr. Bogert brings to the Board government/regulatory experience relevant to the Company's operations in a highly regulated industry.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION
OF THE ABOVE NOMINEES AS DIRECTORS.**

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PROPOSAL NO. 2

**ADOPTION OF AN AMENDMENT AND RESTATEMENT OF THE COEUR D ALENE
MINES CORPORATION 2003 LONG-TERM INCENTIVE PLAN**

Summary Description of the Amended and Restated 2003 Long-Term Incentive Plan

The Board of Directors approved on March 2, 2010, and is recommending that shareholders approve, an amended and restated Coeur d Alene Mines Corporation 2003 Long-Term Incentive Plan (the Amended Plan). The Amended Plan is designed to update the longstanding practices of the Company to utilize long-term incentive pay to keep the Company s compensation program competitive within the industry.

Purposes and Effects of the Amended Plan

The proposed Amended Plan, among other administrative changes, would allow awards under the plan to be granted to non-employee directors of the Company under the same plan and increase the number of shares available for grant under the plan by 4,000,000 shares. Based on the Company s increased focus on equity-based incentive compensation to tie performance to shareholder value, and its expected share usage for equity-based incentive compensation awards in the near term, the Company intends for this request to cover the Company s equity-based compensation needs for the next five years.

The Company currently maintains one active stock incentive plan for the purpose of granting stock-based compensation awards, which was originally approved by the shareholders on May 20, 2003. As of February 25, 2010, a total of 57,928 shares remained available for new award grants under the plan. In addition, as of February 25, 2010: (i) 348,638 shares were covered by outstanding options granted under the Company s equity compensation plans, which options had a weighted average exercise price of \$23.959 and a weighted average remaining term of 6.888 years; and (ii) 212,971 shares were subject to full-value awards outstanding under the Company s equity compensation plans.

The Company believes that incentives and equity-based compensation awards motivate its directors, officers, employees and consultants to focus on the objective of creating shareholder value and promoting the success of the Company. The Company also believes that incentive compensation plans are an important tool for attracting, retaining and motivating highly qualified, skilled directors, officers, employees and consultants. As noted above, the Board of Directors approved the proposed Amended Plan, in part because the number of shares available under the plan as currently in effect is not adequate to provide for future incentives.

Summary of the Amended Plan

The following summary of the terms of the Amended Plan is qualified in its entirety by reference to the text of the Amended Plan, which is attached as Appendix A to this Proxy Statement. If approved by the Company s shareholders, the Amended Plan will be effective as of the date of approval.

Administration. The Amended Plan will be administered by the Compensation Committee of the Board of Directors (the Committee).

Eligibility. As proposed to be amended and restated, employees of the Company, its affiliates and its subsidiaries, as well as non-employee Directors of the Company, are eligible to participate in the Amended Plan.

Approximately 23 individuals, eight directors and officers, will initially be expected to participate; however, because the Amended Plan provides for broad discretion in making awards, the respective benefits to be accorded to the participants cannot be determined at this time.

Stock Available for Issuance Through the Amended Plan. The Amended Plan provides for a number of forms of stock-based compensation, as further described below. As proposed, up to 4,000,000 shares of the Company's common stock will be authorized for issuance through the Amended Plan, plus any shares subject to outstanding awards under the Coeur d'Alene Mines Corporation 2005 Non-employee Directors' Equity

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Incentive Plan as of May 11, 2010 that on or after that date cease to be subject to such awards (other than as a result of exercise for or settlement in vested and nonforfeitable shares).

The Amended Plan contains a share-counting formula, pursuant to which each share of common stock issued pursuant to options or stock appreciation rights awarded under the Amended Plan will reduce the number of shares that remain available for issuance under the Amended Plan by 1, while each share of common stock issued pursuant to any other award under the Amended Plan will reduce the number of shares that remain available for issuance by 1.5. Shares of common stock underlying cancelled, terminated, expired, forfeited, or lapsed awards of stock-based compensation may be reused or reissued in a grant under the Amended Plan. However, shares may not be reused or reissued in a grant under the Amended Plan if the shares: (i) were subject to a stock-settled stock appreciation right and were not issued upon the net settlement or net exercise of such stock appreciation right, (ii) are delivered to or withheld by the Company to pay the exercise price of an option, (iii) are delivered to or withheld by the Company to pay the withholding taxes related an award, or (iv) are repurchased on the open market with the proceeds of an option exercise. Pursuant to a share-counting formula, each share eligible for reuse or reissuance added back to the plan will increase the number of shares available for issuance by 1 if the share was subject to options or stock appreciation rights granted under the Amended Plan or the Coeur d Alene Mines Corporation 2005 Non-employee Directors Equity Incentive Plan, and will increase the number of shares available for issuance by 1.5 if the share was subject to any other award under either plan.

The Amended Plan provides for limits on the number of shares that may be subject to awards granted to any one participant in any one year as follows: (i) 60,000 shares for awards granted in the form of options; (ii) 60,000 shares for awards granted in the form of stock appreciation rights, (iii) 60,000 shares for awards granted in the form of restricted stock or restricted stock units, (iv) 60,000 shares for awards granted in the form of performance shares or performance units and (v) 60,000 shares for awards granted in the form of other stock-based awards. The Amended Plan also provides for an annual per participant limit of \$1,200,000 for cash-based awards. In addition, the Amended Plan provides that non-employee directors may not receive awards (regardless of type) covering more than 60,000 shares in any one year.

Description of Awards Under the Amended Plan. The Committee may award to eligible participants incentive and nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, cash-based awards, and stock-based awards. As separately described under Performance Measures, the Committee may also grant awards subject to satisfaction of specific performance goals. The forms of awards are described in greater detail below.

Stock Options. The Committee will have discretion to award incentive stock options (ISOs), which are intended to comply with Section 422 of the Internal Revenue Code (the Code), or nonqualified stock options (NQSOs), which are not intended to comply with Section 422 of the Code. Subject to the specific terms of the Amended Plan, the Committee will have discretion to set such additional limitations on option grants as it deems appropriate.

Options granted to participants under the Amended Plan will expire at such times as the Committee determines at the time of the grant; however, no option will be exercisable later than ten years from the date of grant unless granted to a participant outside the United States. Each option award agreement will set forth the extent to which the participant will have the right to exercise the option following termination of the participant's employment with the Company, its affiliates or its subsidiaries. The termination provisions will be determined within the discretion of the Committee, may not be uniform among all participants, and may reflect distinctions based on the reasons for termination of employment.

Options issued under the Amended Plan will not be repriced, replaced, or regranted through cancellation in exchange for cash, other awards, or a new option or SAR at a reduced exercise or base price, or by lowering the exercise price of

a previously granted option, except (i) with the prior approval of the Company's shareholders or (ii) equitably in connection with changes in outstanding common stock by reason of a merger, stock split, or certain other events.

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Upon the exercise of an option under the Amended Plan, the option price is payable to the Company in full either: (a) in cash or its equivalent; (b) by tendering (either by actual delivery or attestation) previously acquired shares having an aggregate fair market value at the time of exercise equal to the total option price; (c) by withholding from the shares otherwise issuable upon the option's exercise a number of shares with a fair market value equal to the total option price at the time of exercise; (d) by a combination of (a) and (b); or (e) by any other method approved by the Committee in its sole discretion.

The Committee also may allow cashless exercises as permitted under the Federal Reserve Board's Regulation T, subject to applicable securities law restrictions, or by any other means which the Committee determines to be consistent with the Amended Plan's purpose and applicable law.

Stock Appreciation Rights (SARs). The Committee may grant SARs in tandem with stock options, freestanding and unrelated to options, or any combination of these vehicles. In any case, the form of payment of an SAR will be determined by the Committee at the time of grant, and may be in shares of common stock, cash, or a combination of the two. If granted other than in tandem, the Committee will determine the number of shares of common stock covered by and the exercise period for the SAR. Upon exercise of the SAR, the participant will receive an amount equal to the excess of the fair market value of one share of stock on the date of exercise over the exercise price, multiplied by the number of shares of stock covered by the SAR.

If an SAR is granted in tandem with an option, the exercise of the tandem SAR will require forfeiture of the related option (and when a share is purchased under the option, the tandem SAR shall similarly be cancelled). The Committee may limit the exercise period of a tandem SAR, except that the tandem SARs exercise period may not exceed that of the related option.

SARs issued under the Amended Plan will not be repriced, replaced, or regranted through cancellation in exchange for cash, other awards, or a new option or SAR at a reduced exercise or base price, or by lowering the exercise price of a previously granted SAR, except (i) with the prior approval of the Company's shareholders or (ii) equitably in connection with changes in outstanding common stock by reason of a merger, stock split, or certain other events.

Restricted Stock and Restricted Stock Units. The Committee will also be authorized to award shares of restricted common stock and RSUs under the Amended Plan upon such terms and conditions as it shall establish. These conditions may include requirements that participants pay a purchase price for each share of restricted stock or each RSU, restrictions based on specific performance goals, time-based restrictions on vesting following achievement of the performance goals, time-based restrictions, restrictions under applicable federal or state securities laws, or holding requirements or sale restrictions placed on the shares by the Company upon vesting of the restricted stock or RSUs. Although recipients may have the right to vote their restricted shares from the date of grant, they will not have the right to sell or otherwise transfer the shares during the applicable period of restriction or until earlier satisfaction of other conditions imposed by the Committee in its sole discretion. Participants holding restricted stock may also receive dividends on their shares of restricted stock and the Committee, in its discretion, will determine how such dividends on restricted shares are to be paid.

The Committee will also be authorized to award restricted stock units under the Amended Plan upon such terms and conditions as it shall establish. Restricted stock units are similar to restricted stock and are subject to the same provisions listed above with respect to restricted stock, except that no shares are actually awarded to the participant on the date of grant, and participants holding restricted stock units have no voting rights with respect to such units.

Each award agreement for restricted stock or restricted stock units will set forth the extent to which the participant will have the right to retain the restricted stock or restricted stock units following termination of the participant's employment with the Company. These provisions will be determined in the sole discretion of the Committee, need not

be uniform among all shares of restricted stock issued or restricted stock units granted pursuant to the Amended Plan, and may reflect distinctions based on reasons for termination of employment.

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Performance Units and Performance Shares. The Committee will also have discretion to award performance units and performance shares under the Amended Plan upon such terms and conditions as it shall establish. Performance units will have an initial value as determined by the Committee, while each performance share will have an initial value equal to the fair market value of one share of common stock of the Company on the date of grant. The payout on the number and value of the performance units and performance shares will be a function of the extent to which the corresponding performance goals are met.

Cash-Based Awards and Stock-Based Awards. The Committee will also have discretion to award cash-based and stock-based awards under the Amended Plan upon such terms and conditions as it shall establish. Each cash-based award shall have a value as may be determined by the Committee. The Committee may establish performance goals for such awards in its discretion and determine payout in its discretion.

Performance Measures. The Committee may grant awards under the Amended Plan to eligible participants subject to the attainment of certain specified performance measures. The performance measures may include earnings per share (actual or targeted growth), economic value added (EVA), net income after capital costs, net income (before or after taxes), return measures (including return on average assets, return on capital, return on equity, or cash-flow return measures), stock price (including growth measures and total shareholder return), expense targets, margins, production levels, cash cost per ounce of production, EBITDA, capital budget targets, budget target measures, earnings before interest and taxes (EBIT), revenue, cash flow (including operating cash flow), reserve replacement, and resource levels. The number of performance-based awards granted to any participant in any year is determined by the Committee in its sole discretion. Following the end of a performance period, the Committee shall determine the value of the performance-based awards granted for the period based on the attainment of the preestablished objective performance goals. The Committee shall also have discretion to reduce or increase the value of a performance-based award, except in the case of Covered Employees (defined below under Section 162(m)), in which case the Committee may only reduce such value.

Adjustment and Amendments. The Amended Plan provides for appropriate adjustments in the number of shares of common stock subject to awards and available for future awards in the event of changes in outstanding common stock by reason of a merger, stock split or certain other events.

Upon the occurrence of a change in control, unless otherwise specifically prohibited under applicable laws or by the rules and regulations of any governing governmental agencies or national securities exchanges, or unless the Committee determines otherwise in an award agreement:

all options and SARs will become immediately exercisable;

all restricted stock and restricted stock units granted will become fully vested; and

the target payout opportunities attainable under all outstanding awards which are subject to achievement of any performance measures or other performance conditions will be deemed to have been earned as of the effective date of the change in control and paid out on a pro rata basis based on an assumed achievement of all relevant targeted performance goals and on the length of time within the applicable performance period, if any, that has elapsed prior to the change in control.

The Committee shall have the authority to make any modifications to awards as determined by the Committee to be appropriate before the effective date of a change in control.

A change in control for the purposes of the Amended Plan is deemed to occur if:

an organization, group or person acquires beneficial ownership of our securities representing 35% or more of the combined voting power of our then outstanding securities;

during any two-year period, a majority of the members of our Board of Directors serving at the date of approval of this Amended Plan is replaced by directors who are not nominated and approved by the Board; or

the Company is combined with or acquired by another company and the Board determines, either before or after such event, that a change in control will occur or has occurred.

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The Amended Plan may be modified or amended by the Committee at any time and for any purpose which the Committee deems appropriate. However, no such modification may adversely affect an outstanding award without the affected holder's consent. No amendment of the Amended Plan may be made without shareholder approval if such approval is required under Internal Revenue Service or Securities and Exchange Commission regulation, the rules of the New York Stock Exchange, or applicable law.

Nontransferability. No derivative security (including, without limitation, options) granted pursuant to, and no right to payment under, the Amended Plan shall be assignable or transferable by a participant except by will or by the laws of descent and distribution, and any option or similar right shall be exercisable during a participant's lifetime only by the participant or by the participant's guardian or legal representative. These limitations may be waived by the Committee, subject to restrictions imposed under the Securities and Exchange Commission's short-swing trading rules and federal tax requirements relating to incentive stock options.

Duration of the Amended Plan. The Amended Plan will remain in effect, subject to the right of the Committee or the Company's Board of Directors to amend or terminate the Amended Plan at any time, until the tenth anniversary of its approval by our shareholders. Termination of the Amended Plan will not affect the rights and obligations of the participants and the Company arising under previously-granted awards then in effect.

Section 162(m)

The Board of Directors believes that it is in the best interests of the Company and its shareholders to continue to provide for an equity incentive plan under which compensation awards made to the Company's executive officers can qualify for deductibility by the Company for federal income tax purposes. Accordingly, the Amended Plan has been structured in a manner such that awards granted under it can satisfy the requirements for performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code of 1986 (the Code). In general, under Section 162(m), in order for the Company to be able to deduct compensation in excess of \$1,000,000 paid in any one year to the Company's chief executive officer or any of the Company's three other most highly compensated executive officers (other than the chief financial officer), such compensation must qualify as performance-based. One of the requirements of performance-based compensation for purposes of Section 162(m) is that the material terms of the performance goals under which compensation may be paid be disclosed to and approved by the Company's shareholders. For purposes of Section 162(m), the material terms include (i) the employees eligible to receive compensation, (ii) a description of the business criteria on which the performance goal is based and (iii) the maximum amount of compensation that can be paid to an employee under the performance goal. With respect to the various types of awards under the Amended Plan, each of these aspects is discussed below, and shareholder approval of the Amended Plan will be deemed to constitute approval of each of these aspects of the Amended Plan for purposes of the approval requirements of Section 162(m).

Table of Contents**Equity Compensation Plan Information**

The following table sets forth information as of December 31, 2009 regarding the Company's equity compensation plans.

Plan Category	Number of Shares to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price (b)	Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	392,678	23.48(1)	175,785
Equity compensation plans not approved by security holders			
Total	392,678	23.48	175,785

(1) Amounts include 136,398 performance shares which are issued at the end of the three year service period if certain market conditions are met and the recipient remains an employee of the Company.

Federal Income Tax Consequences

Options. With respect to options which qualify as ISOs, an Amended Plan participant will not recognize income for federal income tax purposes at the time options are granted or exercised. If the participant disposes of shares acquired by exercise of an ISO either before the expiration of two years from the date the options are granted or within one year after the issuance of shares upon exercise of the ISO (the holding periods), the participant will recognize in the year of disposition: (a) ordinary income, to the extent that the lesser of either (i) the fair market value of the shares on the date of option exercise, or (ii) the amount realized on disposition, exceeds the option price; and (b) capital gain, to the extent the amount realized on disposition exceeds the fair market value of the shares on the date of option exercise. If the shares are sold after expiration of the holding periods, the participant generally will recognize capital gain or loss equal to the difference between the amount realized on disposition and the option price.

With respect to NQSOs, the participant will recognize no income upon grant of the option and, upon exercise, will recognize ordinary income to the extent of the excess of the fair market value of the shares on the date of option exercise over the amount paid by the participant for the shares. Upon a subsequent disposition of the shares received under the option, the participant generally will recognize capital gain or loss to the extent of the difference between the fair market value of the shares at the time of exercise and the amount realized on the disposition.

SARs. The recipient of a grant of SARs will not realize taxable income and the Company will not be entitled to deduction with respect to such grant on the date of such grant. Upon the exercise of an SAR, the recipient will realize

ordinary income, and the Company will be entitled to a corresponding deduction, equal to the amount of cash and/or stock received.

Restricted Stock and Restricted Stock Units. A participant holding restricted stock will, at the time the shares vest, realize ordinary income in an amount equal to the fair market value of the shares and any cash received at the time of vesting, and the Company will be entitled to a corresponding deduction for federal income tax purposes. Dividends paid to the participant on the restricted stock during the restriction period will generally be ordinary income to the participant and deductible as such by the Company.

In general, the Company will receive an income tax deduction at the same time and in the same amount which is taxable to the employee as compensation, except as provided below under Section 162(m). To the extent a participant realizes capital gains, as described above, the Company will not be entitled to any deduction for federal income tax purposes.

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A participant holding restricted stock units will not be taxed until those units are actually paid out (whether in the form of shares or cash), at which time, the participant will realize ordinary income in an amount equal to the fair market value of the units and any cash received at the time of payout, and the Company will be entitled to a corresponding deduction for federal income tax purposes. Dividends paid to the participant on the restricted stock units during the restriction period will generally be ordinary income to the participant and deductible as such by the Company.

In general, the Company will receive an income tax deduction at the same time and in the same amount which is taxable to the employee as compensation, except as provided below under Section 162(m).

Performance Units and Performance Shares. The recipient of a grant of performance units and/or performance shares will not realize taxable income and the Company will not be entitled to a deduction with respect to such grant on the date of such grant. Upon the payout of the award, the recipient will realize ordinary income and the Company will be entitled to a corresponding deduction, equal to the amount of cash received or the value of any stock received.

Cash-Based and Stock-Based Awards. The recipient of a grant of cash-based or stock-based awards will not realize taxable income and the Company will not be entitled to a deduction with respect to such grant on the date of such grant. Upon the payout of such award, the recipient will realize ordinary income and the Company will be entitled to a corresponding deduction, equal to the amount of cash received or the value of any stock received.

Section 162(m). Under Section 162(m) of the Code, compensation paid to executives in excess of \$1 million for any taxable year is not deductible unless an exemption from such rule exists. Compensation paid by the Company in excess of \$1 million for any taxable year to Covered Employees will generally be deductible by the Company or its affiliates for federal income tax purposes if it is based on the performance of the Company, is paid pursuant to a plan approved by shareholders of the Company, and meets certain other requirements. Generally, a Covered Employee under Section 162(m) means the chief executive officer and the three other highest-paid executive officers of the Company (other than the chief financial officer) as of the last day of the taxable year.

Amended Plan Benefits

The benefits that will be received under the Amended Plan by particular individuals or groups are not determinable at this time. Such awards are within the discretion of the Committee, and the Committee has not determined future awards or who might receive them. Information about awards granted in 2009 under the current plan to the Company's named executive officers can be found in the table under the heading "2009 Grants of Plan-Based Awards" in this Proxy Statement. As of March 22, 2010, the closing price of a share of the Company's common stock was \$15.54.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE IN FAVOR OF THE
PROPOSED ADOPTION OF AN AMENDMENT AND RESTATEMENT OF THE
COEUR D ALENE MINES CORPORATION 2003 LONG-TERM INCENTIVE PLAN.**

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PROPOSAL NO. 3

**RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM**

The Audit Committee, which consists entirely of outside directors, is recommending approval of its appointment of KPMG LLP as independent registered public accounting firm for the Company to audit its consolidated financial statements for the year ending December 31, 2010 and to perform audit-related services, including review of the Company's quarterly interim financial information and periodic reports and registration statements filed with the SEC and consultation in connection with various accounting and financial reporting matters. KPMG LLP audited the consolidated financial statements of the Company for the year ending December 31, 2009.

As a matter of good corporate governance, a resolution will be presented at the Annual Meeting to ratify the appointment by the Audit Committee of KPMG LLP to serve as the Company's independent registered public accounting firm for the year ending December 31, 2010. If the shareholders do not approve the appointment of KPMG LLP, the Audit Committee will reconsider the appointment. Representatives of KPMG LLP are expected to be present at the Annual Meeting and will have the opportunity to make a statement, if they desire to do so, and are expected to be available to respond to appropriate questions.

The Board has put this proposal before the shareholders because the Board believes that seeking shareholder ratification of the appointment of the independent auditor is good corporate practice. If the appointment of KPMG LLP is not ratified, the Audit Committee will evaluate the basis for the shareholders' vote when determining whether to continue the firm's engagement.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE IN FAVOR OF THE RATIFICATION
OF THE APPOINTMENT OF KPMG LLP AS THE COMPANY'S
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

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CORPORATE GOVERNANCE

Committees of the Board of Directors

Our Board of Directors met nine times during 2009. Our Board has established an Audit Committee in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act) composed solely of outside directors and presently consisting of Messrs. Curran (Chairman), Robinson, Thompson and Winterer. The Audit Committee is responsible for reviewing and reporting to the Board of Directors with respect to various auditing and accounting matters, including the selection of our independent registered public accounting firm, the scope of the audit procedures, the nature of all audit and non-audit services to be performed, the performance of our independent registered public accounting firm and our accounting practices and policies. The Audit Committee met five times during 2009.

Our Board has a Compensation Committee, consisting of Messrs. Thompson (Chairman), Mellor, Robinson and Edwards. The Compensation Committee is responsible for determining and approving, together with the other independent members of the Board, the annual compensation of the Company's Chief Executive Officer, determining the annual compensation of the non-CEO executive officers and the directors, overseeing the Company's stock incentive plans and other executive benefit plans and providing guidance in the area of certain employee benefits. The Compensation Committee met five times during 2009.

Our Board has a Nominating and Corporate Governance Committee consisting of Messrs. Mellor (Chairman), Thompson, Winterer, Edwards and Bogert. The Nominating and Corporate Governance Committee is responsible for proposing nominees for the Board of Directors, establishing corporate governance guidelines and related corporate governance matters. The Nominating Committee and Corporate Governance met two times during 2009.

Our Board also has an Executive Committee on which Messrs. Wheeler (Chairman), Curran, Mellor, Robinson, Winterer and Lundquist currently serve. The Executive Committee is authorized to act in the place of the Board of Directors on limited matters that require action between Board meetings. The Executive Committee did not meet during 2009.

Our Board has determined that each of the following directors and director nominees are independent within the meaning of applicable New York Stock Exchange listing standards and rules: James J. Curran, John H. Robinson, Robert E. Mellor, Timothy R. Winterer, J. Kenneth Thompson, Sebastian Edwards and L. Michael Bogert. This includes each of the members of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. As a result, all of our directors and nominees for director are independent except for Dennis E. Wheeler and Andrew Lundquist. Our Board determined that Mr. Vitale, who resigned from the Board effective March 17, 2009 was not independent because Deutsche Bank Securities Inc., an investment banking firm of which he was a managing director, received fees in 2006 and 2008 for investment banking services performed for the Company. In its evaluation of the directors' independence, the Board considered the related person transactions with respect to Mr. Lundquist discussed below under Certain Related Person Transactions.

Copies of the charters of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are available at our website, www.coeur.com, and to any shareholder who requests them. Each incumbent director attended at least 90% of the meetings of the Board of Directors and committees on which he served during 2009.

Policy Regarding Director Nominating Process

The Nominating and Corporate Governance Committee has adopted a policy pursuant to which a shareholder who has owned at least 1% of our outstanding shares of common stock for at least two years may recommend a director candidate that the Committee will consider when there is a vacancy on the board either as a result of a director resignation or an increase in the size of the Board. Such recommendation must be in writing addressed to the Chairman of the Nominating and Corporate Governance Committee at our principal executive offices and must be received by the Chairman at least 120 days prior to the anniversary date of the

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release of the prior year's proxy statement. Although the Committee has not formulated any specific minimum qualifications that the Committee believes must be met by a nominee that the Committee recommends to the board, the Committee will take into account the factors discussed above under Director Nominee Experience and Qualifications. The Committee does not believe that there will be any differences between the manner in which the Committee evaluates a nominee recommended by a shareholder and the manner in which the Committee evaluates nominees recommended by other persons.

Policy Regarding Shareholder Communications with Directors

Shareholders and other interested persons desiring to communicate with a director, the non-management directors as a group or the full Board may address such communication to the attention of Kelli Kast, Esq., General Counsel of the Company, 505 Front Avenue, P.O. Box I, Coeur d'Alene, Idaho 83816, and such communication will be forwarded to the intended recipient or recipients.

Policy Regarding Director Attendance at Annual Meetings

The Company has a policy that encourages directors to attend each annual meeting of shareholders, absent extraordinary circumstances. Each of the nine members of the Board attended the annual meeting on May 12, 2009.

Meetings of Non-Management Directors

Non-management members of the Board of Directors conduct regularly-scheduled meetings as required without members of management being present. Robert E. Mellor presides over each meeting of non-management directors.

Board Leadership

Currently, Mr. Dennis E. Wheeler serves as Chairman of the Board, President and Chief Executive Officer (CEO). The Board believes that the Company and its shareholders are best served at this time by this leadership structure, in which a single leader serves as Chairman and CEO and the Board has an independent presiding director in Mr. Robert E. Mellor. Combining the roles of Chairman and CEO makes clear that the person serving in these roles has primary responsibility for managing the Company's business, under the oversight and review of the Board. The Board believes that this approach makes sense because the CEO is the individual with primary responsibility for implementing the Company's strategy, directing the work of other officers and leading implementation of the Company's strategic plans as approved by the Board. This structure results in a single leader being directly accountable to the Board and, through the Board, to shareholders, and enables the CEO to act as the key link between the Board and other members of management. It also facilitates the Board decision-making process because Mr. Wheeler, who has first-hand knowledge of our operations and the major issues facing Company, chairs the Board meetings where the Board discusses strategic and business issues.

In addition, the Board has established the position of presiding director. The presiding director is a director elected from time to time by the Board. Our current presiding director is Mr. Robert E. Mellor, an independent director who has served on our Board since 1998 and has served as presiding director since 2008. Mr. Mellor currently serves as the chairman of our Nominating and Corporate Governance Committee and as a member of our Compensation Committee and Executive Committee. As presiding director, Mr. Mellor presides over executive sessions of the non-management directors. The Board also maintains a procedure that allows interested parties to communicate directly and confidentially with the presiding director.

Furthermore, the Board has determined that seven of its nine directors are independent, and the Audit Committee, Compensation and Nominating Committee and Corporate Governance Committee are composed solely of

independent directors. Consequently, the independent directors directly oversee such critical items as the Company's financial statements, executive compensation, the selection and evaluation of directors and the development and implementation of our corporate governance programs.

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The Board and Nominating and Corporate Governance Committee review the structure of Board and Company leadership as part of their annual review of the succession planning process. The Board believes that a single leader serving as Chairman and CEO, together with an experienced and engaged presiding director, and an Audit Committee, Compensation and Nominating Committee and Corporate Governance Committee consisting of independent directors, is the most appropriate leadership structure for the Board at this time.

Corporate Governance Guidelines and Code of Business Conduct and Ethics for Directors and Employees

The Board of Directors has adopted Corporate Governance Guidelines and a Code of Business Conduct and Ethics for Directors, Officers and Employees in accordance with New York Stock Exchange corporate governance listing standards. Copies of these documents are available at our website, www.coeur.com, and to any shareholder who requests them.

Compensation Consultant Fee Disclosure

The Compensation Committee of the Board of Directors (the Committee) acts on behalf of the Board to establish and oversee the Company's executive compensation program in a manner that supports the Company's business strategy as further set forth below under the heading Role of Compensation Committee and its Consultant in the Compensation Discussion and Analysis section below.

The Committee has retained Mercer (US) Inc. (Mercer), a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. (MMC), to provide information, analyses and advice to the Committee regarding the Company's executive and Board of Director compensation programs, as described below. Mercer is a global firm providing executive compensation and other human resource consulting services. Mercer reports directly to the Committee chair. Mercer's fees for executive compensation consulting to the Committee in 2009 were \$138,873.45.

The decisions made by the Committee are the responsibility of the Committee and may reflect factors and considerations other than the information and recommendations provided by Mercer, management or any other advisor to the Committee.

During 2009, other MMC affiliates provided the Company services unrelated to executive compensation. The amount received by the MMC affiliates, directly or indirectly, totaled \$400,051 in 2009 and primarily related to brokering certain insurance policies carried by the Company. Neither the Board nor the Committee specifically approved the unrelated services.

Because of the policies and procedures Mercer and the Committee have in place, the Committee is confident that the advice it receives from the individual executive compensation consultant is objective and not influenced by Mercer's or its affiliates' relationships with the Company. These policies and procedures include:

- the consultant receives no incentive or other compensation based on the fees charged to the Company for other services provided by Mercer or any of its affiliates;

- the consultant is not responsible for selling other Mercer or affiliate services to the Company;

- Mercer's professional standards prohibit the consultant from considering any other relationships Mercer or any of its affiliates may have with the Company in rendering his or her advice and recommendations;

- the Committee has the sole authority to retain and terminate the consultant;

the consultant has direct access to the Committee without management intervention;

the Committee evaluates the quality and objectivity of the services provided by the consultant each year and determines whether to continue to retain the consultant; and

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the protocols for the engagement (described below) limit how the consultant may interact with management.

While it is necessary for the consultant to interact with management to gather information, the Committee has adopted protocols governing if and when the consultant's advice and recommendations can be shared with management. These protocols are included in the consultant's engagement letter. The Committee also determines the appropriate forum for receiving consultant recommendations. Where appropriate, management invitees are present to provide context for the recommendations. In other cases, the Committee receives the consultant's recommendations in executive sessions where management is not present. This approach protects the Committee's ability to receive objective advice from the consultant so that the Committee may make independent decisions about executive compensation at the Company.

Risk Oversight

The Board of Directors is responsible for assessing the major risks facing the Company and reviewing options for their mitigation. In addition, the Board has delegated oversight of certain categories of risk to the Audit Committee. The Audit Committee reviews with management and the independent auditor compliance with laws, regulations and internal procedures and contingent liabilities and discusses policies with respect to risk assessment and risk management.

In performing their oversight responsibilities, the Board and the Audit Committee periodically discuss with management the Company's policies with respect to risk assessment and risk management. The Audit Committee reports to the Board regularly on matters relating to the specific areas of risk the Audit Committee oversees.

Throughout the year, the Board and the Audit Committee each receive reports from management regarding major risks and exposures facing the Company and the steps management has taken to monitor and control such risks and exposures. In addition, throughout the year, the Board and the Audit Committee each dedicate a portion of their meetings to reviewing and discussing specific risk topics in greater detail.

The Compensation Committee is responsible for recommending compensation for executive officers that includes performance-based reward opportunities that support growth and innovation without encouraging or rewarding excessive risk.

Compensation Committee Role in Risk

In December 2009, the Compensation Committee conducted an analysis of the current risk profile of the Company's compensation programs. The risk assessment included a review of the primary design features of the Company's compensation programs and the process for determining executive and employee compensation. The risk assessment identified numerous ways in which the Company's compensation programs potentially mitigate risk, including:

- the structure of the Company's executive compensation programs, which consist of both fixed and variable compensation and reward both annual and long-term performance;

- the balance between long and short-term incentive programs;

- the use of caps or maximum amounts on the incentive programs;

- the use of multiple performance metrics under the Company's incentive and bonus plans;

- time-based vesting for stock options, restricted stock and stock appreciation rights; and

strict and effective internal controls.

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Audit and Non-Audit Fees

The following sets forth information relating to fees billed or incurred by the Company for professional services rendered to the Company for the each of the past two years:

Audit Fees. The total fees billed by KPMG LLP for professional services for the audit of the Company's consolidated financial statements for the years ended December 31, 2009 and 2008, the audit of the Company's internal control over financial reporting, statutory audit work for certain foreign subsidiaries, and the reviews of the Company's consolidated financial statements included in its Quarterly Reports on Form 10-Q during 2009 and 2008, were \$2.1 million and \$2.3 million, respectively.

Audit Related Fees. In 2009 and 2008, there were no fees billed for audit related fees.

Tax Fees. In 2009 and 2008, there were \$173,500 and \$55,000, respectively, in fees billed by KPMG for international tax planning and compliance.

All Other Fees. During 2009 and 2008, there were no fees billed for other services.

None of the services described above were approved by the Audit Committee under the de minimus exception provided by Rule 2-01(c)(7)(i)(C) under Regulation S-X.

Audit Committee Policies and Procedures for Pre-Approval of Independent Auditor Services

The Audit Committee has policies and procedures requiring pre-approval by the Committee of the engagement of the Company's independent auditor to perform audit as well as permissible non-audit services for the Company.

The nature of the policies and procedures depend upon the nature of the services involved, as follows:

Audit Services. The annual audit services engagement terms and fees are subject to the specific approval of the Audit Committee. Audit services include the annual financial statement audit, required quarterly reviews, subsidiary audits and other procedures required to be performed by the auditor to form an opinion on the Company's financial statements, such other procedures including information systems and procedural reviews and testing performed in order to understand and place reliance on the systems of internal control, and consultations relating to the auditor quarterly review. The Audit Committee Chairman may grant approval for other audit services that only the auditor responsibly can provide to the extent the fee for the services does not exceed \$50,000. Other such audit services may include statutory audits or financial audits for subsidiaries and services associated with SEC registration statements, periodic reports and other documents filed with the SEC or used in connection with securities offerings.

Audit-Related Services. Audit related services are assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements or that are traditionally performed by the auditor. Audit-related services are subject to the approval of the Audit Committee. The Audit Committee Chairman may grant general pre-approval for audit-related services to the extent the fee for the service is not expected to exceed \$50,000. Audit-related services include, among others, due diligence services relating to potential business acquisitions/dispositions; accounting consultations relating to accounting, financial reporting or disclosure matters not classified as audit services; assistance with understanding and implementing new accounting and financial reporting guidance from rule making authorities; financial audits of employee benefit plans; agreed-upon or expanded audit procedures relating to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters; and

assistance with internal control reporting requirements.

Tax Services. Tax services are subject to the approval of the Audit Committee. The Audit Committee Chairman has the authority to pre-approve tax services, to the extent that the fee for the services is not expected to exceed \$50,000, the services have historically been provided by the auditor, the Committee

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has previously reviewed the services and believes they would not impair independence of the auditor, and the services are consistent with the SEC's rules on auditor independence. The Committee will not approve the retention of the auditor in connection with a transaction the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported by the Internal Revenue Code and related regulations.

All Other Services. The Committee may grant approval of those permissible non-audit services that it believes are routine and recurring services, would not impair the independence of the auditor and are consistent with the SEC's rules on auditor independence. Such other services must be specifically pre-approved by the Audit Committee.

With respect to the approval by the Audit Committee Chairman of audit, audit-related and tax services that do not exceed \$50,000, the Chairman is required to report the matter to the full Audit Committee at its next meeting and the auditor will report on the scope and fee for such service in its annual report to the Committee. The Chief Financial Officer of the Company is responsible for tracking all independent auditor fees against the budget for such services and reports at least annually to the Audit Committee.

SHARE OWNERSHIP

The following table sets forth information, as of March 19, 2010, concerning the beneficial ownership of our common stock by each beneficial holder of more than 5% of our outstanding shares of common stock, each of the nominees for election as directors, each of the executive officers listed in the Summary Compensation Table set forth below, and by all of our directors and executive officers as a group.

	Shares Beneficially Owned	Percent of Outstanding
Blackrock, Inc	5,055,085(1)	6.2%
L. Michael Bogert	4,049(3)	*
James J. Curran	18,768(3)	*
Sebastian Edwards	5,393(3)	*
Andrew Lundquist	7,611(3)	*
Robert E. Mellor	8,154(3)	*
John H. Robinson	10,851(3)	*
J. Kenneth Thompson	15,653(3)	*
Dennis E. Wheeler	227,902(2)(3)	0.28
Timothy R. Winterer	13,483(3)	*
Donald J. Birak	30,079(3)	*
Kelli C. Kast	20,665(3)	*
Mitchell J. Krebs	27,946(3)	*
Richard M. Weston	33,974(3)	*
All executive officers and nominees for director as a group (15 persons)	459,903(3)	0.55

(*) Holding constitutes less than 0.10% of the outstanding shares on March 19, 2010 of 82,711,823.

(1)

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Based on information contained in a Schedule 13G filed on January 29, 2010, Blackrock, Inc. has sole voting and dispositive power over 5,055,085 shares. The address for Blackrock, Inc. is 40 E. 52nd St., New York, NY 10022.

- (2) Mr. Wheeler shares investment and voting powers over 141 shares with his wife. The other directors and executive officers have sole investment and voting power over their shares.
- (3) Holding includes the following shares which may be acquired upon the exercise of exercisable options outstanding under the 1989/2003 Long-Term Incentive Plans and the Non-Employee Directors Stock Option Plan: L. Michael Bogert 0 shares; James J. Curran 13,608 shares; Sebastian Edwards 0 shares; Andrew Lundquist 0 shares; Robert E. Mellor 2,994 shares; John H. Robinson 4,482 shares; J. Kenneth Thompson 6,636 shares; Dennis E. Wheeler 135,998 shares; Timothy R. Winterer 6,175 shares;

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Donald J. Birak 16,996 shares; Kelli C. Kast 10,116 shares; Mitchell J. Krebs 13,505 shares; Richard M. Weston 9,535 shares; and all directors and executive officers as a group 232,849 shares.

AUDIT COMMITTEE REPORT

The Audit Committee of our Board of Directors, which currently consists of James J. Curran (Chairman), John H. Robinson, J. Kenneth Thompson and Timothy R. Winterer, is governed by its charter, a copy of which is available on our website at www.coeur.com. All the members of the Audit Committee are independent as defined in the rules of the Securities and Exchange Commission and the listing standards of the New York Stock Exchange. The Board of Directors has determined that James J. Curran, Chairman of the Audit Committee, is an audit committee financial expert within the meaning of rules adopted by the Securities and Exchange Commission.

The Audit Committee reviewed and discussed our audited financial statements for the year ended December 31, 2009 with management and our independent auditing firm, KPMG LLP. In that connection, the Audit Committee discussed with KPMG LLP the matters required to be discussed by Statement of Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T (SAS 61). SAS 61 requires an auditor to communicate certain matters relating to the conduct of an audit to the Audit Committee including:

methods used to account for significant unusual transactions;

the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;

the process used by management in formulating particularly sensitive accounting estimates and the basis for the auditor's conclusions regarding the reasonableness of those estimates;

any disagreements with management regarding the application of accounting principles, the basis for management's accounting estimates, the disclosures in the financial statements and the wording of the auditor's report;

the auditor's judgments about the quality, and not just the acceptability, of our accounting principles as applied in its financial reporting; and

the consistency of application of the accounting principles and underlying estimates and the clarity, consistency and completeness of the accounting information contained in the financial statements, including items that have a significant impact on the representational faithfulness, verifiability and neutrality of the accounting information.

KPMG LLP reported to the Audit Committee that:

there were no disagreements with management;

it was not aware of any consultations about significant matters that management discussed with other auditors;

no major issues were discussed with management prior to KPMG LLP's retention;

it received full cooperation and complete access to the Company's books and records;

they were not aware of any fraud or likely illegal acts as a result of their audit procedures;

there were no material weaknesses identified in their testing of the Company's internal control over financial reporting; and

there were no known material misstatements identified in their review of the Company's interim reports.

In addition, the Audit Committee received from KPMG LLP the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding KPMG

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LLP's communications with the Audit Committee concerning independence and the Audit Committee discussed KPMG LLP's independence with KPMG LLP.

Based on the above-referenced review and discussions, the Audit Committee recommended to the Board of Directors that the financial statements be included in the Company's Annual Report on Form 10-K for the year ending December 31, 2009, for filing with the Securities and Exchange Commission. Reference is made to the Audit Committee's charter for additional information as to the responsibilities and activities of the Audit Committee.

Audit Committee of the Board of Directors

JAMES J. CURRAN, Chairman

JOHN H. ROBINSON

J. KENNETH THOMPSON

TIMOTHY R. WINTERER

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COMPENSATION DISCUSSION AND ANALYSIS

Overview

Coeur is one of the world's largest publicly-traded primary producers of silver, and has a significant presence in gold. Coeur is engaged in the development, exploration and operation of silver and gold mining properties, with operations in six countries. In 2009, Coeur had sales of \$300.6 million, with approximately 79% of revenues from sales of silver. Coeur's primary business objectives are to increase production levels and reserves, decrease cash-production costs, and increase cash flows and earnings. Coeur aims to meet these objectives through cost-competitive operations, internal development projects, exploration and acquisitions. Additional information about Coeur is available at our website, www.coeur.com.

The following is a discussion of Coeur's executive compensation program and compensation decisions made with respect to the Company's named executive officers (NEOs) listed in the 2009 Summary Compensation Table.

Role of the Compensation Committee and its Consultant

The Compensation Committee of the Board of Directors (the Committee) acts on behalf of the Board to establish and oversee the Company's executive compensation program in a manner that supports the Company's business strategy. The Committee may not delegate its responsibilities in connection with executive compensation. The Committee formulates an annual calendar for its activity that is designed to cover necessary regular approvals as well as special topics. The Committee meets at least twice annually, or more frequently as circumstances dictate, in order to set executive compensation for the year, review recommendations of its outside consultant, and recommend compensation changes to the Board of Directors. The Committee met five times in 2009.

As further described under the heading "Compensation Consultant Fee Disclosure" in the "Corporate Governance" section above, the Committee has retained Mercer (US) Inc. (Mercer) to provide information, analyses, and advice regarding executive and director compensation, as described below. Mercer is a global firm providing executive compensation and other human resource consulting services. Mercer reports directly to the Committee chair.

At the Committee's direction, Mercer provided the following services for the Committee during 2009:

evaluated the Company's executive officers' base salary, annual incentive and long-term incentive compensation relative to the competitive market;

advised the Committee on executive officer target award levels within the annual and long-term incentive program and, as needed, on actual compensation actions;

assessed the alignment of the Company's executive compensation levels relative to the Company's compensation philosophy;

provided ongoing advice as needed on the design of the Company's annual and long-term incentive plans;

briefed the Committee on executive compensation trends among the Company's peers and broader industry;

evaluated the Company's Board of Director compensation relative to the competitive market; and

assisted with the preparation of the Compensation Discussion and Analysis for this proxy statement.

In the course of conducting its activities during 2009, Mercer attended four meetings of the Compensation Committee and presented its findings and recommendations for discussion.

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Compensation Objectives and Principles

The primary objective of the Company's executive compensation program is to motivate the Company's executives to achieve goals that are consistent with the Company's business strategies and that create shareholder value.

Consequently, a majority of Coeur's executives' compensation opportunities are in the form of at-risk incentives that require performance against measurable objectives or an increase in long-term shareholder value to result in payouts.

The second fundamental objective of the Company's executive compensation program is to attract and retain highly-skilled executives. Increased mining activity world-wide in recent years has resulted in a significant increase in demand for executive and professional talent with technical skills and industry experience. In addition, over the past decade and a half, fewer people have entered the mining industry and several mining schools have closed, resulting in a shortage of industry talent. As a result of these talent market pressures, Coeur's executives and professionals are routinely pursued by competitors, and some of the Company's valued talent has left the Company for other opportunities. Attraction and retention of executive talent is thus a significant factor in many of the compensation decisions discussed below.

In order to meet these compensation objectives in the design and governance of compensation programs for the Company's executive officers, including the NEOs, the Committee is guided by the following principles that express the Committee's view that compensation at Coeur should be:

Performance-based

Reward Company-wide results in addition to recognizing individual performance, focusing on objectives that are directly under the control of executives.

Market-competitive

Compared to mining industry peers, target total compensation at the market 75th percentile level in order to attract, motivate and retain high caliber talent.

Aligned with shareholders

Provide a significant portion of incentive compensation to executives in the form of equity-based awards. Award values fluctuate based on share value thus aligning officer and shareholder interests.

Transparent

Clearly communicate both the desired results and the incentive pay programs used to reward the achievement of these results.

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In 2009, our executive officer compensation program used the components identified in the following table:

Compensation Component	Objective	Key Features
Base salary	Provide a fixed level of cash compensation for performance of day-to-day responsibilities	Annual adjustments are based on an individual's current and expected future contribution and actual pay positioning relative to the market
Annual incentives	Reward executives for the achievement of annual Company financial and operational goals and for the achievement of individual executive goals	Cash payments based on Company and individual performance, each weighted 50% Company performance measures are silver and gold production, cash operating costs, operating cash flow and cash flow return on investment
Long-term incentives	Align executives' interests with those of shareholders, reward executives for the achievement of long-term shareholder value creation and attract and retain highly-skilled executives	Stock-settled equity grants consisting of an equal value of stock options, restricted stock and performance shares. Cash-settled equity grants consisting of stock appreciation rights, restricted stock units and performance units Options, restricted stock, stock appreciation rights, and restricted stock units vest ratably over three years, and performance shares vest based on total shareholder return over a three-year period relative to a peer group
Benefits and perquisites	Attract and retain highly-skilled executives	Participation in medical and retirement plans on same terms as all employees Limited perquisites

Determining Executive Compensation

Coeur's compensation objectives and principles are supported in the compensation-setting process through a number of policies and processes.

Total Compensation: In determining the mix of compensation components and the value of each component for each of the Company's executive officers, including its NEOs, the Committee takes into account the executive's role, the competitive market, individual and Company performance, and internal equity. The Committee does not make use of tally sheets, nor are amounts realized or realizable from prior compensation awards considered in setting of the current

year's compensation. Details of the various programs and how they support the overall business strategy are outlined below in Compensation Components.

Variable Pay at Risk: Consistent with a performance-based philosophy, Coeur's compensation program emphasizes pay at risk. The percentage of an executive's compensation opportunity that is at risk or variable instead of fixed is based primarily on the executive's role in the Company. Executives who are in a greater position to directly influence our overall performance have a larger portion of their pay at risk through short and long-term incentive programs compared to other executives. Typically, at least 50% of the target total

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compensation opportunity for our executives is in the form of variable compensation. The CEO has more pay at risk than the other NEOs, consistent with the competitive market. The mix of compensation elements for our NEOs in 2009, as a percentage of total compensation, is set forth in the table below:

Named Executive Officer	Fixed Compensation (% of Total Compensation)	Variable Compensation (% of Total Compensation)	
		Target Annual Incentives	Target Long-Term Incentives
CEO	22%	16%	62%
Other NEOs (average)	35%	16%	49%

Market Positioning: The Committee's policy is to target the components of compensation relative to the competitive market (as defined below under "Competitive Market Assessments") as follows:

Compensation Component	Target Market Positioning
Base Salary	Between market median and 75th percentile
Annual Incentives	Between market median and 75th percentile
Long-Term Incentives	Market 75th percentile
Total Compensation (base salary, plus annual and long-term incentives)	Market 75th percentile
Benefits and Perquisites	Market median