

HARSCO CORP
Form DEF 14A
March 23, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

Harsco Corporation

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**Notice of
2012 Annual
Meeting and Proxy
Statement
Harsco Corporation**

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Harsco Corporation

350 Poplar Church Road

Camp Hill, PA 17011 USA

Telephone: 717.763.7064

Fax: 717.763.6424

www.harsco.com

March 23, 2012

To Our Stockholders:

You are cordially invited to attend the 2012 Annual Meeting of Stockholders of Harsco Corporation (the Company), which will be held on Tuesday, April 24, 2012, beginning at **8:00 a.m.**, local time, at the Radisson Penn Harris Hotel and Convention Center, Camp Hill, Pennsylvania.

Information about the Annual Meeting, including a listing and discussion of the various matters on which you, as our stockholders, will act, may be found in the formal Notice of Annual Meeting of Stockholders and Proxy Statement included with this mailing. We look forward to greeting as many of our stockholders as possible.

The Company is providing you with the opportunity to vote your shares by calling a toll-free number, by mailing the enclosed Proxy Card or via the Internet as explained in the instructions on your Proxy Card.

Whether you plan to attend the Annual Meeting or not, we urge you to fill in, sign, date and return the enclosed Proxy Card in the postage-paid envelope provided, or vote by telephone or via the Internet, in order that as many shares as possible may be represented at the Annual Meeting. The vote of every stockholder is important and your cooperation in returning your executed Proxy Card promptly is appreciated.

Sincerely,

Henry W. Kneuppel

Interim Chairman & Chief Executive Officer

This document is intended to be mailed to stockholders on or about March 23, 2012.

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STOCKHOLDER PROPOSALS AND NOMINATIONS FOR PRESENTATION AT 2013 ANNUAL MEETING OF STOCKHOLDERS

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HARSCO CORPORATION

350 Poplar Church Road

Camp Hill, Pennsylvania 17011 USA

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Harsco Corporation (the Company) will be held on Tuesday, April 24, 2012, at **8:00 a.m.**, local time, at the Radisson Penn Harris Hotel and Convention Center, Camp Hill, Pennsylvania to consider and act upon the following matters:

1. Election of eight Directors to serve until the next Annual Meeting of Stockholders, or until their successors are elected and qualified:
K. G. Eddy,

D. C. Everitt,

S. E. Graham,

T. D. Growcock,

H. W. Knueppel,

J. M. Loree,

A. J. Sordoni, III, and

R. C. Wilburn;

2. Ratification of the appointment by the Audit Committee of the Board of Directors of the Company (the Board) of PricewaterhouseCoopers LLP as independent auditors to audit the accounts of the Company for the fiscal year ending December 31, 2012;

3. Advisory vote to approve named executive officer compensation; and

4. Such other business as may properly come before the Annual Meeting.

The Board has fixed the close of business on March 2, 2012 as the record date for the determination of stockholders who are entitled to notice of, and to vote at, the Annual Meeting and at any adjournments thereof. Proxies will be accepted continuously from the time of mailing until the closing of the polls at the Annual Meeting.

Stockholders who do not expect to attend the Annual Meeting in person are requested to fill in, sign, date and return the enclosed Proxy Card in the postage-paid envelope provided, or vote by telephone or via the Internet, as explained in the instructions on your Proxy Card.

By Order of the Board,

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Mark E. Kimmel

Senior Vice President, Chief Administrative Officer,

General Counsel and Corporate Secretary

March 23, 2012

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PROXY STATEMENT

ANNUAL MEETING INFORMATION

General

This Proxy Statement has been prepared in connection with the solicitation by the Board of Harsco Corporation, a Delaware corporation (the Company or we or us), of proxies in the accompanying form to be used at our Annual Meeting of Stockholders, to be held on April 24, 2012, or at any adjournment of the Annual Meeting.

The following information relates to the Annual Meeting and the voting of your shares at the meeting:

Type of shares entitled to vote at the Annual Meeting:	Our common stock, par value \$1.25
Record date for stockholders entitled to notice of, and to vote at, the Annual Meeting (Record Date):	Close of business on March 2, 2012
Shares of common stock issued and outstanding as of the Record Date (does not include treasury shares, which are not entitled to be voted at the Annual Meeting):	80,534,508 shares
Proxy Statements, Notice of Annual Meeting and Proxy Cards are intended to be mailed to stockholders:	On or about March 23, 2012
Location of our executive offices:	350 Poplar Church Road, Camp Hill, Pennsylvania 17011

To obtain directions to attend the meeting and vote in person, please contact Kenneth D. Julian, Senior Director Corporate Communications, by telephone at (717) 730-3683 or by e-mail at kjulian@harsco.com.

Information contained on our website is not incorporated by reference into this Proxy Statement, and you should not consider information contained on our website as part of this Proxy Statement. Copies of our Corporate Governance Principles, Code of Conduct and charters of the Board's committees are available in print to any stockholder who requests such copies from us. If you desire a copy please contact Kenneth D. Julian as noted above.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on April 24, 2012

The Notice of 2012 Annual Meeting and Proxy Statement, our Proxy Card, our Annual Report on Form 10-K and our 2011 Summary Annual Report are available free of charge at <http://bnymellon.mobular.net/bnymellon/hsc>.

Voting

All shares of common stock entitled to vote at the Annual Meeting are of one class, with equal voting rights. Each share of common stock held by a stockholder is entitled to cast

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one vote on each matter voted on at the Annual Meeting. In order for the Annual Meeting to be valid and the actions taken binding, a quorum of stockholders must be present at the meeting, either in person or by proxy. A quorum is a majority of the issued and outstanding shares of common stock as of the Record Date. Assuming that a quorum is present, the affirmative vote by the holders of a plurality of the votes cast at the Annual Meeting will be required to act on the election of directors, and the affirmative vote of the holders of at least a majority of the outstanding common stock present in person or by proxy and entitled to vote on matters at the Annual Meeting will be required for ratification of PricewaterhouseCoopers LLP as independent auditors for the current fiscal year and the approval, on an advisory basis, of our named executive officer compensation. The vote required to act on all other matters to come before the Annual Meeting will be in accordance with the voting requirements established by our Restated Certificate of Incorporation and By-laws, each as amended to date.

Stockholder votes will be tabulated by an independent inspector of election for the Annual Meeting. The shares of common stock represented by each properly submitted proxy received by the Board will be voted as follows at the Annual Meeting:

If instructions are provided, in accordance with such instructions; or

If no instructions are provided, (1) FOR the election as Directors of the eight nominees of the Board, (2) FOR the ratification of the appointment of PricewaterhouseCoopers LLP as independent auditors for the current fiscal year, (3) FOR the advisory vote to approve named executive officer compensation as such compensation is disclosed in this Proxy Statement, and (4) in accordance with the best judgment of the named proxies on any other matters properly brought before the Annual Meeting.

Revocation of Proxies

Any proxy granted pursuant to this solicitation may be revoked by the person granting the proxy at any time before it is voted at the Annual Meeting. Proxies may be revoked by (i) delivering to the Secretary of the Company a written notice of revocation bearing a date later than that of the proxy, (ii) duly executing and delivering a later dated written proxy relating to the same shares, or (iii) attending the Annual Meeting and voting in person. If you hold your shares through a bank, broker or other nominee holder, only that bank, broker or other nominee holder can revoke your proxy on your behalf.

Withheld Votes, Abstentions and Broker Non-Votes

In certain circumstances, a stockholder will be considered to be present at the Annual Meeting for quorum purposes but will not be deemed to have cast a vote on a matter. That occurs when a stockholder is present but specifically withholds a vote or abstains from voting on a matter, or when shares are represented at the Annual Meeting by a proxy conferring authority to vote only on certain matters. The ratification of our auditors is a routine matter and, therefore, brokers and other nominees should have the authority to vote shares for which no instructions are given. In accordance with Delaware law and our Restated Certificate of Incorporation and By-laws, each as amended to date, votes withheld and broker non-votes will not be treated as votes cast with respect to the election of directors, and therefore will not affect the outcome of director elections. With respect to the approval of the compensation of our named executive officers, abstentions will have the effect of negative votes but broker non-votes will not have any effect on determining the outcome. With respect to the ratification of our auditors, abstentions will have the effect of negative votes.

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Other Business

The Board knows of no other business to come before the Annual Meeting. However, if any other matters are properly presented at the Annual Meeting, or any adjournment of the Annual Meeting, the persons voting the proxies will vote them in accordance with their best judgment.

CORPORATE GOVERNANCE

We have a long-standing commitment to good corporate governance practices. These practices come in many different forms and apply at all levels of our organization. They provide the Board and our senior management with a framework that defines responsibilities, sets high standards of professional and personal conduct and promotes compliance with our various financial, ethical, legal and other obligations and responsibilities.

Corporate Governance Principles

The Board has adopted Corporate Governance Principles that, along with the charters of the Board committees, provide the framework for our Board's operation and governance. The Board's Nominating and Corporate Governance Committee is responsible for overseeing and reviewing our Corporate Governance Principles at least annually and recommending any proposed changes to the Board for approval. The Corporate Governance Principles are available on our website at www.harsco.com/about-us in the Corporate Governance section.

Code of Conduct

We have adopted a Code of Conduct applicable to our employees, officers and directors worldwide. The Code of Conduct is issued in booklet form and an online training program facilitates new employee orientation and individual refresher training. Our Code of Conduct is produced in over 20 languages. The Code of Conduct, including any amendments thereto or waivers thereof granted to a director or officer, can be viewed at the Corporate Governance section of our website at www.harsco.com/about-us.

Stockholder and Interested Party Communications with Directors

The Board has a formal process for stockholders and interested parties to communicate directly with the Chairman and Chief Executive Officer, or CEO, lead director, the non-management directors or with any individual member of the Board. Stockholders and interested parties may contact any member of the Board, including the Lead Director, Kathy G. Eddy, and the Interim Chairman and CEO, by writing to the specific Board member in care of our Corporate Secretary at our Corporate Headquarters (350 Poplar Church Road, Camp Hill, PA 17011). Our Corporate Secretary will forward any such correspondence to the applicable Board member; provided, however, that any such correspondence that is considered by our Corporate Secretary to be improper for submission to the intended recipients will not be provided to such Directors. In addition, Board members, including the Lead Director and the Interim Chairman and CEO, can be contacted by e-mail at BoardofDirectors@harsco.com.

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Independence Standards for Directors

The following NYSE Euronext standards, which are also posted under the Corporate Governance section of our website at www.harsco.com/about-us, have been applied by the Board in determining whether individual directors qualify as independent. References to us include our consolidated subsidiaries.

1. No director will be qualified as independent unless the Board affirmatively determines that the director has no material relationship with us, either directly or as a partner, stockholder or officer of an organization that has a relationship with us. We will disclose these affirmative determinations.
2. No director who is a former employee of ours can be deemed independent until three years after the end of his or her employment relationship with us.
3. No director whose immediate family member is or has been an executive officer of ours can be deemed independent until three years after such family member has ceased to be an executive officer.
4. No director who receives, or whose immediate family member receives, more than \$120,000 during any twelve-month period in direct compensation from us, other than director and committee fees and deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), can be independent until three years after he or she ceases to receive more than \$120,000 during any twelve-month period in such compensation.
5. No director can be independent:
 - a. who is a current partner or employee of our internal or external auditor;
 - b. whose immediate family member is a current partner of our internal or external auditor;
 - c. whose immediate family member is a current employee of our internal or external auditor and personally works on such auditor's audit; or
 - d. who, or whose immediate family member, was within the last three years (but is no longer) a partner or employee of such auditor and personally worked on our audit within that time.
6. No director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of our present executives serve on that company's compensation committee can be independent until three years after the end of such service or employment relationship.
7. No director who is an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, us for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues, can be independent until three years after falling below such threshold.

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The Board has affirmatively determined that the following seven Directors who are standing for reelection are independent: Messrs. Everitt, Graham, Growcock, Loree, Sordoni, and Wilburn and Ms. Eddy.

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Executive Sessions of Independent Directors

Independent Directors regularly meet in executive sessions without management. Our named Lead Director, Kathy G. Eddy, who is a non-management director, presides over each session of the independent Directors. During the 2011 fiscal year, the independent Directors held six meetings. Each of the six meetings was attended by the complete group of independent Directors serving on our Board at the time of the meeting. The independent Directors also met separately from management at the end of each Board meeting.

Director Attendance at Annual Meeting of Stockholders

It is our policy to request that all Board members attend the Annual Meeting of Stockholders. However, we also recognize that personal attendance by all Directors is not always possible. The eight individuals who are standing for election as Directors in 2012 and who were also Board members at the time of our Annual Meeting in 2011, attended the 2011 Annual Meeting.

Current Structure of the Board

Information regarding the structure of our Board immediately following our Annual Meeting:

Size of the Board:	Eight members
Size of Board authorized in the By-laws:	No fewer than five nor more than twelve
Number of Independent Directors:	Seven members
Size of Board established by:	Board and the Company's By-laws
Lead Director:	K.G. Eddy

It is Harsco's practice to combine the position of Chairman and CEO. Our Board formally reviewed this structure in 2007 and determined, after much deliberation and after a review of several studies, both U.S. and international, that this structure was the appropriate leadership structure for the Company, as it provides the most efficient and effective leadership model for us by enhancing the Chairman and CEO's ability to provide perspective and direction with regard to business strategies and plans to both the Board and management, thus avoiding the creation of two centers of authority which could potentially dilute the CEO's ability to lead the organization. The Board believes the Company can most effectively execute its business strategies and plans if the Chairman is also a member of the management team, such that ultimate leadership and accountability rest in a single position. This allows for unified leadership and focus. This conclusion also takes into account the ability of the individual currently filling the role of Interim Chairman and CEO to effectively serve in both posts. Future decisions as to the leadership structure will be based on our circumstances at the time, including the capabilities of the officers and directors who may be asked to fill the leadership roles.

We ensure that the Board effectively carries out its responsibility for the oversight of management through our strong governance practices. All Directors, with the exception of the Chairman, are independent. This heavy weighting of our Board in favor of independent directors, combined with the position of Lead Director, provides a strong counterbalance to the role of management. We believe that the role of Lead Director is a key mechanism for strengthening board independence. The Lead Director has broad responsibilities, including chairing regular meetings of the independent Directors and presiding as chair in the absence

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of the Chairman. In addition, the Lead Director serves as the liaison between the independent Directors and the Chairman. The Lead Director regularly consults with the Chairman and is involved in discussing meeting agendas and in reviewing information that is sent to the Board and all critical communications to the Board. The Lead Director has the ability to call meetings of the independent Directors as required, and the independent Directors meet after every Board meeting in executive session. Members of management do not attend these meetings.

Enterprise Risk Management

Our management is responsible for assessing and managing our exposure to risk. We have established an enterprise risk management process to identify, assess and manage the most significant risks facing us. The executive oversight of this process is through a committee comprised of the Chairman and CEO, the Chief Financial Officer, or CFO, and the Chief Administrative Officer, or CAO. As part of this process, we provide periodic updates to and receive feedback from the Board regarding the risks identified by the enterprise risk management process. In addition, the Audit Committee has oversight responsibility for financial risks. Our Audit Committee regularly meets with and discusses with management and our independent auditors major financial risks and the steps management has taken to monitor and control these risks. The financial risks are regularly discussed with the Board by management and through the reports of the Audit Committee to the Board. We believe that our leadership structure, discussed in detail above, supports the risk oversight function of the Board.

Meeting Attendance and Committees

The Board held seven meetings during the fiscal year ended December 31, 2011. All Directors who served during the fiscal year ended December 31, 2011 attended 100% of the total Board meetings and 99% of the total meetings of the committees on which they served, and the average attendance by such Directors at all Board and committee meetings was 99.5%. The independent Directors held six meetings during 2011. We have standing Audit, Management Development and Compensation, and Nominating and Corporate Governance Committees.

Audit Committee

Meetings in 2011: five

Members: Mr. James M. Loree (Chairman), Ms. Eddy and Messrs. Graham and Everitt (H.W. Kneuppel, Chairman, and a member of the Audit Committee, until February 2012)

Duties: Established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act). Oversees our financial reporting processes, including meeting with members of management, the external auditors and the internal auditors, reviewing and approving both audit and non-audit services, reviewing the results of the annual audit and reviewing the adequacy of our internal controls. The Audit Committee also discusses with management and the independent auditors our guidelines, policies and controls with respect to risk assessment and risk management. The Audit Committee is also responsible for

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managing the relationship with the external auditors and, as of November 2010, has established a direct reporting relationship with our Internal Audit Group (i.e., our Vice President, Internal Audit now reports directly to the Audit Committee). The Audit Committee also, in conjunction with the Nominating and Corporate Governance Committee, oversees our Compliance Program. The Audit Committee meets with management and with the independent auditors each quarter to review and discuss our Quarterly Report on Form 10-Q or Annual Report on Form 10-K prior to its filing with the Securities and Exchange Commission (the SEC), and the full Audit Committee meets with management and our independent auditors to review and discuss our Quarterly Earnings Releases prior to their release. See also the Report of the Audit Committee below. The Audit Committee completed a review of its charter in 2011 and determined that several changes were required. A copy of the Audit Committee charter can be viewed at the Corporate Governance section of our website at www.harsco.com/about-us.

Management Development and Compensation Committee

Meetings in 2011: six

Members: Messrs. Growcock (Chairman), Everitt, Sordoni and Wilburn

Duties: Administers our executive compensation policies and plans and advises the Board regarding management succession and compensation levels for members of management. The Management Development and Compensation Committee (the Compensation Committee) approves compensation and cash incentives for our senior officers and makes recommendations to the Board regarding equity-based and incentive compensation plans. The Compensation Committee's responsibilities include: (i) evaluating and approving the compensation of our executive officers, including reviewing and approving corporate performance goals and objectives related to the compensation of our executive officers; (ii) evaluating the executive officers and their performance relative to compensation goals and objectives; (iii) determining and approving the executive officers' compensation levels based on the Compensation Committee's evaluation of their performance; (iv) evaluating and approving, or recommending to the Board for approval, compensation grants to executive officers under our annual and incentive compensation plans, policies and procedures, including equity-based compensation and

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incentive compensation plans; (v) overseeing our policies on structuring compensation programs for executive officers to preserve tax deductibility; (vi) delegating authority to subcommittees and to the Company's management for administration or other duties when the Compensation Committee deems it appropriate; (vii) adopting procedures and guidelines as the Compensation Committee deems appropriate to carry out its oversight functions; (viii) producing any Compensation Committee reports on executive compensation required to be included in our filings with the SEC; (ix) reviewing and discussing with our management the Compensation Discussion and Analysis (referred to herein as the CD&A) to be included in our filings with the SEC; (x) determining whether to recommend to the Board that the CD&A be included in our filings with the SEC; (xi) making regular reports to the full Board on the activities of the Compensation Committee; and (xii) performing such other duties as may be assigned to the Compensation Committee by law or the Board. The Compensation Committee recently completed a review of its charter and determined that several changes were required. A copy of the Compensation Committee's charter can be viewed at the Corporate Governance section of our website at www.harsco.com/about-us.

Nominating and Corporate Governance Committee Meetings in 2011: three

Members: Messrs. Graham (Chairman), Growcock, Loree, Sordoni and Wilburn

Duties: Recommends director candidates to the Board for election at the Annual Meeting, reviews and recommends potential new director candidates, reviews candidates recommended by our stockholders and oversees our corporate governance program. The Nominating and Corporate Governance Committee (the "Nominating Committee") also, in conjunction with the Audit Committee, oversees our Compliance program. The role of the Nominating Committee is described in greater detail under the section entitled "The Nominating Process" below. The Nominating Committee recently completed a review of its charter and determined that several changes were required. A copy of the Nominating Committee's charter can be viewed at the Corporate Governance section of our website at www.harsco.com/about-us.

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STOCK PERFORMANCE GRAPH

The following performance graph compares the yearly percentage change in the cumulative total shareholder return (assuming the reinvestment of dividends) on our common stock against the cumulative total return of the Standard & Poor's MidCap 400 Index and the Dow Jones US Diversified Industrials Index for the past five years. The graph assumes an initial investment of \$100 on December 31, 2006 in our common stock or in the underlying securities which comprise each of those market indices. The information contained in the graph is not necessarily indicative of our future performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

**Among Harsco Corporation, the S&P MidCap 400 Index,
and the Dow Jones US Diversified Industrials Index**

*\$100 invested on 12/31/06 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

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	12/06	12/07	12/08	12/09	12/10	12/11
Harsco Corporation	100.00	170.85	75.20	90.03	81.38	60.82
S&P MidCap 400	100.00	107.98	68.86	94.60	119.80	117.72
Dow Jones US Diversified Industrials	100.00	106.74	54.38	61.72	75.83	76.44

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THE NOMINATING PROCESS

The Nominating Committee is responsible for overseeing the selection of qualified candidates to serve as members of the Board and guiding our corporate governance philosophy and practices. The Nominating Committee is composed of five Directors, each of whom is independent under the rules of the NYSE Euronext. The Nominating Committee operates according to a charter that complies with the guidelines established by the NYSE Euronext.

The Nominating Committee has not adopted formal procedures in selecting individuals to serve as members of the Board. Instead, it utilizes general guidelines that allow it to adjust the process to best satisfy the objectives established for any director search. The first step in the general process is to identify the type of candidate the Nominating Committee may desire for a particular opening. This may involve identifying someone with a specific background, skill set or set of experiences. Once identified, the Nominating Committee next determines the best method of finding a candidate who satisfies the specified criteria. The Nominating Committee may consider candidates recommended by management, by other members of the Nominating Committee or the Board, by stockholders, or it may engage a third party to conduct a search for possible candidates. The Nominating Committee has used independent search firms in the past to assist in the identification and evaluation of possible candidates. In 2011, the search firm RSR Partners was paid an aggregate fee of \$113,191 for services relating to the search for possible director candidates.

In addition to the above, at our January 2011 Board meeting, we initiated a process for the full Board to review and determine our Directors' and nominees' qualifications. As part of this process, the Nominating Committee solicited a self-assessment in the form of a skills matrix from each Director, pursuant to which the Nominating Committee asked each Director to personally assess their ability to meet the requirements described in this section and in the Nominating Committee's charter. The Nominating Committee will also periodically assess our current Board, and, as it considers additional candidates for the Board, assess them to determine whether there are attributes which it should particularly focus on with those candidates and that we would most benefit from adding to our Board. Based on the compiled results of these responses, the Nominating Committee and the Board have determined that, in light of our business structure, we currently have the right mix of Directors for our strategic path.

Many of the attributes set forth in this section are self-explanatory. The Board also considers diversity, as noted below, when considering Director nominees, taking into consideration not only diversity of national origin, gender, age and race, but also of profession and geographic experience. Although diversity is included as a selection criterion under our Nominating Committee's charter, our Board has not at this time adopted a separate diversity policy.

The Nominating Committee will consider all nominees in the same manner regardless of the source of the recommendation of such nominee. The Nominating Committee will consider recommendations for director candidates from stockholders if such recommendations are in writing and set forth the following information:

1. The full legal name, address and telephone number of the stockholder recommending the candidate for consideration and whether that person is acting on behalf of or in concert with other beneficial owners, and if so, the same information with respect to them.

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2. The number of shares held by any such person as of a recent date and how long such shares have been held, or if such shares are held in street name, reasonable evidence satisfactory to the Nominating Committee of such person's ownership of such shares as of a recent date.
3. The full legal name, address and telephone number of the proposed nominee for director.
4. A reasonably detailed description of the proposed nominee's background, experience and qualifications, financial literacy and expertise, as well as any other information required to be disclosed in the solicitation for proxies for election of directors pursuant to the rules of the SEC, and the reasons why, in the opinion of the recommending stockholder, the proposed nominee is qualified and suited to be one of our directors.
5. Disclosure of any direct or indirect relationship (or arrangements or understandings) between the recommending stockholder and the proposed nominee (or any of their respective affiliates).
6. Disclosure of any direct or indirect relationship between the proposed nominee and us, any of our employees or other Directors, any beneficial owner of more than 5% of our common stock, or any of their respective affiliates.
7. Disclosure of any direct or indirect interest that the recommending stockholder or proposed nominee may have with respect to any pending or potential proposal or other matter to be considered at this Annual Meeting or any subsequent annual meeting of our stockholders.
8. A written, signed, and notarized acknowledgement from the proposed nominee consenting to such recommendation by the recommending stockholder, confirming that he or she will serve as a director if so elected and consenting to our undertaking of an investigation into his or her background, experience and qualifications, any direct or indirect relationship with the recommending stockholder, us, our management or 5% stockholders, or interests in proposals or matters, and any other matter reasonably deemed relevant by the Nominating Committee to its considerations of such person as a potential candidate.

This information must be submitted as provided under the heading "STOCKHOLDER PROPOSALS AND NOMINATIONS FOR PRESENTATION AT 2013 ANNUAL MEETING OF STOCKHOLDERS."

There have been no material changes to the procedures relating to stockholder nominations during 2011. The Nominating Committee believes that these procedural requirements are intended solely to ensure that it has a sufficient basis on which to assess potential candidates and are not intended to discourage or interfere with appropriate stockholder nominations. The Nominating Committee does not believe that any such requirements subject any stockholder or stockholder nominee to any unreasonable burden. The Nominating Committee and the Board reserve the right to change the above procedural requirements from time to time and/or waive some or all of the foregoing requirements with respect to certain nominees, but any such waiver shall not preclude the Nominating Committee from insisting upon compliance with any and all of the above requirements by any other recommending stockholder or proposed nominees.

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Once candidates are identified, the Nominating Committee conducts an evaluation of the candidate. The evaluation generally includes interviews and background and reference checks. There is no difference in the evaluation process of a candidate recommended by a stockholder as compared to the evaluation process of a candidate identified by any of the other means described above. While the Nominating Committee has not established minimum criteria for a candidate, it has established important factors to consider in evaluating a candidate. These factors include the following (although candidates need not possess all of the following characteristics, and not all factors are weighted equally):

integrity and strength of character,