

HARSCO CORP
Form DEF 14A
March 24, 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 (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 Pursuant to §240.14a-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.

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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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
2010 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 26, 2010

To Our Stockholders:

You are cordially invited to attend the 2010 Annual Meeting of Stockholders of Harsco Corporation (the Company), which will be held on Tuesday, April 27, 2010, beginning at 10:00 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 will be appreciated.

Sincerely,

Salvatore D. Fazzolari
Chairman and Chief Executive Officer

This document is intended to be mailed to stockholders on or about March 26, 2010.

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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 27, 2010, at 10:00 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 ten Directors to serve until the next Annual Meeting of Stockholders, and until their successors are elected and qualified:

G. D. H. Butler,
K. G. Eddy,
S. D. Fazzolari,
S. E. Graham,
T. D. Growcock,
H. W. Knueppel,
D. H. Pierce,
J. I. Scheiner,
A. J. Sordoni, 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, 2010; and
3. Such other business as may properly come before the Annual Meeting.

The Board has fixed the close of business on March 2, 2010 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 envelope provided, or vote by telephone or via the Internet, as explained in the instructions on your Proxy Card.

By Order of the Board,

Mark E. Kimmel
*Senior Vice President, Chief Administrative Officer,
General Counsel and Corporate Secretary*
March 26, 2010

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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 Directors (the Board) of Harsco Corporation, a Delaware corporation (the Company), of proxies in the accompanying form to be used at our Annual Meeting of Stockholders, to be held on April 27, 2010, 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, 2010
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):	80,505,994 shares
Proxy Statements, Notice of Annual Meeting and Proxy Cards are intended to be mailed to stockholders:	On or about March 26, 2010
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 business conduct and charters of the Board's committees are available in print to any stockholder who requests such copies from us.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on April 27, 2010

The Notice of 2010 Annual Meeting and Proxy Statement, our Proxy Card and our 2009 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 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

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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. 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 of Directors 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 ten nominees of the Board of Directors, (2) FOR the ratification of the appointment of PricewaterhouseCoopers LLP as independent auditors for the current fiscal year, and (3) 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 or otherwise, unless coupled with an interest, 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 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 (broker non-votes). In accordance with Delaware law, votes withheld 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 ratification of auditors, abstentions will be treated as negative votes and broker non-votes will not be counted in determining the outcome.

Other Business

The Board of Directors 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

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the Board of Directors 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 of Directors' 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/insight-on-harsco in the Corporate Governance section.

Code of Business Conduct

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

Stockholder and Interested Party Communications with Directors

The Board of Directors has a formal process for stockholders and interested parties to communicate directly with the Chairman and CEO, lead independent director, the non-management directors or with any individual member of the Board of Directors. Stockholders and interested parties may contact any member of the Board, including the lead independent director, Dr. Robert Wilburn, and the 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 independent director and the Chairman and CEO, can be contacted by e-mail at BoardofDirectors@harsco.com.

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/insight-on-harsco, have been applied by the Board of Directors 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 of Directors 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.

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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.

The Board has affirmatively determined that the following eight Directors who are standing for reelection are independent: Messrs. Graham, Growcock, Knueppel, Pierce, Scheiner, Sordoni, and Wilburn and Ms. Eddy. In addition, the Board affirmatively determined that Ms. Scanlan and Mr. Jasinowski were independent within the meaning of the NYSE Euronext listing standards during their tenure.

Executive Sessions of Independent Directors

Independent Directors regularly meet in executive sessions without management. Our named lead director, Dr. Wilburn, who is a non-management director, presides over each session of the independent Directors. During the 2009 fiscal year, the independent Directors held three meetings as a complete group (*i.e.*, all eight independent Directors) and commencing in September 2009, meet as a group after every 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 ten individuals who are standing for election as Directors in 2010 attended the 2009 Annual Meeting of Stockholders.

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Current Structure of the Board of Directors

Information regarding the current structure of our Board of Directors:

Current size:	10 members
Size of Board of Directors authorized in the By-Laws:	Not less than five nor more than 12
Number of Independent Directors:	Eight members
Size of Board of Directors established by:	Board of Directors
Lead Director:	R. C. Wilburn

We currently combine the position of Chairman and Chief Executive Officer. 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 Harsco, as it provides the most efficient and effective leadership model for us by enhancing the Chairman and Chief Executive Officer'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 Harsco 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.

Another key component of our leadership structure is our strong governance practices, which ensure that the Board effectively carries out its responsibility for the oversight of management. All Directors, with the exception of the Chairman and Mr. Butler, 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 on the Board. 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 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 a meeting of the independent Directors as required, and the independent Directors meet after nearly 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 the Company. The executive oversight of this process is through a committee comprised of the Chairman and CEO, the CFO and the Chief

Administrative Officer. 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. The Company believes that its leadership structure, discussed in detail above, supports the risk oversight function of the Board.

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Meeting Attendance and Committees

The Board of Directors held seven meetings during the fiscal year ended December 31, 2009. All Directors who served during the fiscal year ended December 31, 2009 attended at least 95.8% of the total Board meetings and meetings of the committee on which they served, and the average attendance by such Directors at all Board and committee meetings was 99.20%. The independent Directors held three meetings during 2009. We have standing Audit, Management Development and Compensation, and Nominating and Corporate Governance Committees. The Executive Committee was dissolved in April 2009.

Audit Committee

Meetings in 2009: five

Members: Ms. Eddy (Chairman), Mr. Graham, Mr. Knueppel and Mr. Sordoni

Duties: Established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (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 Committee also discusses with management and the independent auditors our guidelines, policies and controls with respect to risk assessment and risk management. The Committee is also responsible for managing the relationship with the external auditors. The Chairman of the Audit Committee meets quarterly with management and the independent auditors to review financial matters. See also the Report of the Audit Committee below. The Audit Committee approved revisions to the Audit Committee's charter as of February 2010 to further clarify its responsibilities with respect to certain matters. A copy of the Audit Committee charter can be viewed at the Corporate Governance section of our website at www.harsco.com/insight-on-harsco.

Executive Committee

Meetings in 2009: none, dissolved in April 2009

Members prior to dissolution: Mr. Fazzolari (Chairman), Ms. Eddy, Messrs. Pierce, Sordoni and Wilburn

Duties prior to dissolution: Authorized to exercise all powers and authority of the Board of Directors when the Board is not in session, except as may be limited by the General Corporation Law of the State of Delaware.

Management Development and Compensation Committee

Meetings in 2009: five

Members: Mr. Pierce (Chairman), Messrs. Growcock, Scheiner and Wilburn

Duties: Administers our executive compensation policies and plans and advises the Board regarding management

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succession and compensation levels for members of management. 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 our performance relative to compensation goals and objectives; (iii) determining and approving the executive officers compensation levels based on the Committee's evaluation of their performance; (iv) evaluating and approving compensation grants to executive officers under our annual and incentive compensation plans, policies and procedures and recommending to the Board for approval our grants under equity-based and 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 Harsco management for administration or other duties when the Committee deems it appropriate; (vii) adopting procedures and guidelines as the Committee deems appropriate to carry out its oversight functions; (viii) producing any required reports on executive compensation required to be included in our filings with the Securities and Exchange Commission (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 Committee; and (xii) performing such other duties as may be assigned to the Committee by law or the Board. The Compensation Committee recently completed a review of its charter and determined that no 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/insight-on-harsco.

Nominating and Corporate Governance Committee Meetings in 2009: three

Members: Mr. Sordoni (Chairman), Ms. Eddy, and Messrs. Growcock, Wilburn and Graham

Duties: Recommends Director candidates to the Board for election at the Annual Meeting, reviews and recommends potential new Director candidates, reviews candidates

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recommended by our stockholders and oversees our corporate governance program. The role of the Nominating and Corporate Governance Committee (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 no 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/insight-on-harsco.

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The following performance graph compares the yearly percentage change in the cumulative total stockholder 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 Industrial-Diversified Index for the past five years. The graph assumes an initial investment of \$100 on December 31, 2004 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 12/31/04 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

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	12/04	12/05	12/06	12/07	12/08	12/09
Harsco Corporation	100.00	123.75	141.87	242.40	106.70	127.72
S&P MidCap 400	100.00	112.55	124.17	134.08	85.50	117.46
Dow Jones US Diversified Industrials	100.00	97.39	106.68	113.87	58.02	65.85

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THE NOMINATING PROCESS

The Nominating Committee of the Board of Directors is responsible for overseeing the selection of qualified candidates to serve as members of the Board of Directors 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 of Directors. 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 of Directors, 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 addition to the above, at our January 2010 Board meeting, we initiated a process for the full Board to review and determine our Directors and nominees qualifications. As part of this process, we solicited a self-assessment in the form of a skills matrix from each Director, pursuant to which we asked each Director to personally assess their ability to meet the requirements described in this section and in our charter, and to allow us to periodically assess our current Board, and, as we consider additional candidates for the Board, to determine whether there are particular attributes which we 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, we and the Board have determined that, in light of our business structure, we currently have the right mix of Directors for the strategic path of the Company.

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 criteria under our Nominating and Corporate Governance 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.
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.

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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 their 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 2011 ANNUAL MEETING OF STOCKHOLDERS.**

There have been no material changes to the procedures relating to stockholder nominations during 2009. 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.

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):

strength of character,

mature judgment,

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strategic thinker,
demonstrated leadership skills,
business experience, including relevant industry experience,
experience with international business issues and risk,
public company experience,
innovation, technology or information technology expertise,
brand marketing expertise,
availability,
attendance,
career specialization,
relevant technical skills,
diversity, and
the extent to which the candidate would fill a present need on the Board of Directors.

If the Nominating Committee determines that an individual should be nominated as a candidate, the individual's nomination is then recommended to the Board of Directors, who may in turn conduct its own review to the extent it deems appropriate. When the Board of Directors has agreed upon a candidate to be nominated at an Annual Meeting of Stockholders, that candidate is then recommended to the stockholders for election at an Annual Meeting of Stockholders.

All of our current directors are standing for reelection. Each of the directors standing for reelection has been recommended by the Nominating Committee to the Board of Directors for election as our directors at the 2010 Annual Meeting of Stockholders and the Board has approved the recommendation. We did not engage a third party search firm to assist with the selection of director candidates for the 2010 Annual Meeting of Stockholders. During 2009, we received no recommendations for directors from any stockholders.

PROPOSAL 1: ELECTION OF DIRECTORS

The first proposal to be voted on at the Annual Meeting is the election of the following ten Directors, each of whom is recommended by the Board of Directors. If elected, the Directors will hold office from election until the next annual meeting or until their successors are elected or appointed and qualified. Biographical information about each of these nominees is included below.

The Board of Directors recommends that stockholders vote FOR the election of each of the following nominees:

Table of Contents**Nominees for Director**

The information set forth below states the name of each nominee for Director, his or her age (as of March 2, 2010), a listing of present and recent employment positions, the year in which he or she first became a Director of the Company, other directorships held, the nominee's specific experience, qualifications, attributes or skills that qualify him or her to serve as a Director of the Company and the committees of the Board on which the individual serves.

Name	Age	Position with the Company, Prior Business Experience and Qualifications, Attributes and Skills	Director of the Company Since
G. D. H. Butler	63	<p>President of the Company and CEO of the Harsco Infrastructure business group since January 1, 2008. Also served as CEO of the Harsco Metals business group between January 1, 2008 and June 1, 2009. Served as Senior Vice President Operations of the Company from September 26, 2000 to December 31, 2007 and Director since January 2002. Concurrently served as President of the MultiServ Division and SGB Group Division. From September 2000 through December 2003, he was President of the Heckett MultiServ International and SGB Group Divisions. Was President of the Heckett MultiServ East Division from July 1, 1994 to September 26, 2000. Served as Managing Director Eastern Region of the Heckett MultiServ Division in 1994. Served in various officer positions within MultiServ International, N.V. prior to 1994 and prior to Harsco's acquisition of that company in 1993.</p> <p>With over 15 years of senior-level managerial experience across multiple segments within the Company, including his multi- industry experience and having served as a Director of the Company since 2002, Mr. Butler brings to the Board demonstrated management capability coupled with a global background that fits well with our envisioned journey for the Company in the coming years. He has worked his entire career outside the United States and thus brings a global and culturally diverse perspective, particularly with Harsco's recent expansion into emerging markets. Mr. Butler has gained critical international experience through his leadership roles across the globe, many of which are detailed above, which fills a much needed role on the Board.</p>	2002
K. G. Eddy	59	<p>Certified Public Accountant. Founding partner of McDonough, Eddy, Parsons & Baylous, AC (a public accounting firm) since 1981. Chairman of the Board of Directors of the American Institute of Certified Public Accountants between 2000 and 2001. Current member of the AICPA Governing Council and Secretary of the West Virginia Higher Education Policy Commission. Chairman of the Audit Committee and member of the Nominating Committee.</p>	2004

Ms. Eddy brings over 30 years of financial accounting experience to our Board, which experience is critical, particularly in terms of her role as Chair of our Audit Committee. Ms. Eddy has served as a certified public accountant for thirty- one years, providing accounting, auditing and tax services to a wide range of clients. Ms. Eddy s experience with accounting principles, financial reporting rules and regulations, evaluating financial results and generally overseeing the financial reporting process from an independent auditor s perspective; her role as a former chairman of the AICPA; and her receipt of the AICPA gold medal for distinguished service, makes her an integral part of our Board.

S. D. Fazzolari	57	Chairman and Chief Executive Officer of the Company since April 22, 2008. Chief Executive Officer of the Company since January 1, 2008. Served as President and Chief Financial Officer of the Company from October 10, 2007 to December 31, 2007. Served as President, Chief Financial Officer and Treasurer of the Company from January 24, 2006 to October 9, 2007 and as a Director since January 2002. Served as Senior Vice President, Chief Financial Officer and Treasurer from August 1999 until January 2006 and as Senior Vice President and Chief Financial Officer from January 1998 to August 1999. Served as Vice President and Controller from January 1994 to December 1997 and as Controller from January 1993 to January 1994.	2002
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Name	Age	Position with the Company, Prior Business Experience and Qualifications, Attributes and Skills	Director of the Company Since
		<p>Mr. Fazzolari has been with the Company for 30 years. During this time, he has served in numerous leadership positions that have enabled him to develop significant business acumen, an in-depth knowledge of the various segments of our business, and a deep appreciation of the international business issues and risks facing a multinational company in today's business environment. Mr. Fazzolari brings a high level of financial literacy to his role with the Board, having served the Company as Corporate Controller, as Treasurer and as Chief Financial Officer, making him a valuable asset to the Board. He was also President of Harsco for two years, where he assisted the CEO in operating the company and was responsible for many growth and transformational initiatives. Mr. Fazzolari has also lived outside the United States and brings a global perspective to the Board. In addition, Mr. Fazzolari has demonstrated success in his consensus-building and leadership skills through his increasingly more senior roles within the Company, and these skills have enabled him to be an effective Board member and Chairman. His leadership of our business also reflects his judgment and risk assessment skills as a Board member, which skills are necessary in today's environment.</p>	
S. E. Graham	64	<p>Chairman of Skanska USA (a leading provider of construction services) since September 1998. From 2002 until his retirement in April 2008, Mr. Graham served as President and Chief Executive Officer of Skanska AB, one of the world's largest construction groups. From 2000 to 2002, Mr. Graham served as Executive Vice President and as a member of the Senior Executive Team of Skanska AB. Mr. Graham's career includes more than four decades of worldwide experience in the infrastructure and construction industry, including executive management responsibilities for Skanska's business units in the U.S. and U.K., Hong Kong and Latin America. Mr. Graham has also served as Chairman of the Engineering and Construction Governors Council of the World Economic Forum and founded the Engineering and Construction Risk Institute. He is Chairman of the New York City Building Congress and a member of the Board of Directors of Securitas AB, Skanska AB and PPL Corporation. Member of the Audit Committee and the Nominating Committee.</p> <p>Mr. Graham's extensive experience in the infrastructure and construction industries and his senior leadership roles across various Skanska entities enable Mr. Graham to be an effective Board member who demonstrates an in-depth understanding of our business needs. He has lived and worked outside the United States for many years leading a large, multinational European construction group company. This experience is an invaluable asset to the Board of Directors. Mr. Graham further contributes leadership and consensus-building skills as a member of our Audit and Nominating Committees. His membership</p>	2009

on other public company boards also enhances his contribution to the Board.

T. D. Growcock	64	Retired Chairman of the Board of The Manitowoc Company (a worldwide provider of lifting equipment and foodservice equipment, and a North American mid-size shipbuilder). Served as Chairman of The Manitowoc Company from January 2008 until December 2008. Previously served as Chairman and Chief Executive Officer of The Manitowoc Company from 2002 until 2007. Served as Manitowoc's President and Chief Executive Officer from 1998 to 2002. Served as President of Manitowoc Foodservice Group from 1995 to 1998. Served as Executive Vice President of Manitowoc Ice from 1994 to 1995. Served in numerous management and executive positions with Invensys plc (a global industrial automation, transportation and controls group), formerly known as Siebe plc, and United Technologies Corporation (a diversified provider of high technology products) prior to joining Manitowoc in 1994. He is a former Chairman of Wisconsin Manufacturers and Commerce, one of the state's leading business associations. Mr. Growcock is a Director of Harris Corporation and Carlisle	2008
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Name	Age	Position with the Company, Prior Business Experience and Qualifications, Attributes and Skills	Director of the Company Since
		Companies, Inc. Member of the Compensation Committee and the Nominating Committee.	
		Mr. Growcock has served on a number of corporate governance panels, which informs his judgment as a member of our Nominating Committee. Mr. Growcock has also led and directed global industrial businesses, which informs his judgment and risk assessment skills as a Board member. These skills allow him to contribute his experiences as an international business leader and his knowledge with regard to global procurement matters, economic value added, or EVA [®] , LeanSigma [®] and strategic planning, which initiatives currently contribute to the positioning of our business in 2010 and beyond. His membership on other public company boards also enhances his contribution to the Board.	
H. W. Knueppel	61	Chairman, since April 2006, and Chief Executive Officer, since April 2005, of Regal Beloit Corporation (a multi-national organization serving the HVAC, industrial motor, power transmission and power generation markets). Served as President and Chief Operating Officer of Regal Beloit Corporation from April 2002 to December 2005. Served as Executive Vice President of Regal Beloit Corporation from 1987 to April 2002. Mr. Knueppel joined Regal Beloit Corporation in 1979. Mr. Knueppel is a Director of First National Bank of Beloit. Member of the Audit Committee.	2008
		Mr. Knueppel's leadership roles with Regal Beloit have allowed Mr. Knueppel to bring to the Board his demonstrated management ability at senior levels. His position as Chief Executive Officer of Regal Beloit has also led to his developing a critical level of insight into the operational requirements of a large, multinational company. Mr. Knueppel's service as a director of another public company also serves to make him an invaluable addition to the Board.	
D. H. Pierce	68	President and CEO of ABB Inc., the US subsidiary of global industrial, energy and automation provider ABB, from 1999 until his retirement in June 2001. Between 1998 and 1999 he was President of the Steam Power Plants and Environmental Systems division of ABB Inc., part of ABB Group (a provider of power and automation technologies) businesses. Between 1996 and 1998 he was Group Executive Vice President - The Americas Region and Member of ABB Ltd. Group Executive Committee. Between 1994 and 1996 he was President of ABB China Ltd. Director of Ambient Corporation. Chairman of the Compensation Committee.	2001

As a long-standing member of the Board, Mr. Pierce is able to demonstrate an extensive knowledge of our business, our history and the industries we serve. Mr. Pierce's senior leadership roles at various ABB entities also provided him with relevant international business acumen and with an understanding of the business issues and risks that the Company faces. Mr. Pierce has extensive international experience, having lived and worked outside the United States for many years. In addition, his experience with regard to rail technology, engineering and construction and environmental and green technologies are of particular interest to us as a company, as we look to further position ourselves to take advantage of environmentally friendly and internationally scalable technologies and engineering services.

J. I. Scheiner	65	Vice President of Century Engineering, Inc. (an engineering firm). Was Chairman of Benatec Associates, Inc. (currently a division of Century Engineering, Inc.) from January 2006 to 2008, when Century Engineering, Inc. purchased Benatec Associates. Was President and Chief Operating Officer of Benatec Associates from 1991 to 2006. Prior to 1991, he was President of Stoner Associates, Inc. (an engineering software company) and Vice President of Huth Engineers (an engineering company). Served as Secretary of Revenue for the Commonwealth of Pennsylvania, and served as Deputy Secretary for Administration, Pennsylvania Department of Transportation. He is a member of the M&T Bank Advisory Board, the National Civil War Museum Board, the Pennsylvania Tobacco Settlement Investment Board and the Workforce Investment	1995
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Name	Age	Position with the Company, Prior Business Experience and Qualifications, Attributes and Skills	Director of the Company Since
		Board and the Pennsylvania Chamber of Business and Industry Board. Member of the Compensation Committee.	
		A considerable portion of our earnings are derived from our infrastructure and minerals businesses. Mr. Scheiner's considerable business experience in these areas and in the field of engineering have led to his role as a continually contributing member of the Board. This background, combined with Mr. Scheiner long-standing membership on the Board, his pension- and tax-related knowledge, his distinguished career with Century Engineering and his long, distinguished career earned through his holding various positions with the Commonwealth of Pennsylvania, gives him leadership and consensus-building skills which are essential in the role of a Board member. Mr. Scheiner's skills complement the skills of many of our other Board members, giving the Board as a whole competence and experience in a wide variety of areas.	
A. J. Sordoni, III	66	Chairman of Sordoni Construction Services, Inc. (a building construction and management services company) and has been employed by that company since 1967. Director of Aqua America, Inc. Chairman of the Nominating Committee and member of the Audit Committee.	1988
		Mr. Sordoni is an experienced, independent Director who has served as a director of public companies for more than 40 years, and as a member of the Board for more than twenty years. Mr. Sordoni's public company experience has included tenures in the banking, energy and utility fields, service which allows Mr. Sordoni to bring notable, multi-industry experience to the Board. Mr. Sordoni's experience in the construction industry makes him particularly suited to serve as a Director of the Company. Finally, Mr. Sordoni's service on numerous public and private boards gives him valuable knowledge and perspective, which enhances his contributions to the Board.	
R. C. Wilburn	66	Distinguished Service Professor at Carnegie Mellon University and Principal of The Wilburn Group (a management consulting firm). Former President of The Gettysburg Foundation (a nonprofit educational institution) between 2000 and 2009. Former President and Chief Executive Officer of the Colonial Williamsburg Foundation (a historic preservation organization with resort facilities) between 1992 and 1999. Other former positions include President of Carnegie Institute and Carnegie Library, Secretary of Budget and Administration and Secretary of Education for the Commonwealth of Pennsylvania. Mr. Wilburn served as President of Indiana University of	1986

Pennsylvania and has held several senior positions at Chase Manhattan Bank. He is a Director of Erie Indemnity Company. Member of the Nominating Committee, member of the Compensation Committee and Lead Director.

Mr. Wilburn is our longest-serving Board member, providing over 20 years of board experience as well as extensive knowledge of our business. This, combined with his service on numerous public boards and chairmanship of two audit committees, three compensation committees and two nominating committees over his illustrious career, provide Mr. Wilburn with well- rounded, Board level leadership capabilities that would be difficult to duplicate. Mr. Wilburn's leadership skills and business experience have enabled him to be a particularly effective Board member who has been able to strongly contribute to the Board, including in his role as Lead Director. Mr. Wilburn also has extensive government experience at both the state and national level and has led a distinguished career in finance and education.

Table of Contents**NON-EMPLOYEE DIRECTOR COMPENSATION**

The general policy of our Board is that compensation for non-employee Directors should be a mix of cash and equity-based compensation. Our Compensation Committee has the primary responsibility to review and consider any revisions to Director compensation. As part of this responsibility, the Committee annually reviews market data regarding comparable director compensation programs. This data is prepared by management utilizing several broad board compensation studies completed within one year of the Board's review.

Annual compensation for non-employee Directors for 2009 was comprised of the following components: cash compensation, consisting of an annual retainer; meeting and committee fees; and equity compensation, consisting of restricted stock unit awards. The current compensation amounts for non-employee directors, effective for fiscal year 2009, are as follows:

Annual Retainer:	\$35,000
Lead Director Fee (Annual):	\$20,000
Audit Committee Chair Fee (Annual):(1)	\$12,250
Compensation Committee Chair Fee and Nominating Committee Chair Fee (Annual):(1)	\$7,500
Board Meeting Fee (Per Meeting):	\$1,500
Committee Meeting Fee (Per Meeting):	\$1,500
Other Meetings and Duties (Per Day):	\$1,500
Telephonic Meeting Fee (Per Meeting):	\$750

Restricted Stock Units: 2,000 restricted stock units annually (issued at a grant price equal to the average of the high and low market price on the date of grant. Grant date is the first business day of May.)

Plan Participation: Deferred Compensation Plan for Non-Employee Directors

- (1) The Compensation Committee reviewed the compensation of non-employee Directors at its September 2008 meeting and recommended that Director compensation be changed to reflect increased annual fees for Committee Chairpersons, as reflected above, with the change effective January 1, 2009.

The Deferred Compensation Plan for Non-Employee Directors allows each non-employee Director to defer all or a portion of his or her director compensation until some future date selected by the Director. Pursuant to the Director's election, the accumulated deferred compensation is held in either an interest-bearing account or a Harsco phantom share account. The interest-bearing deferred account accumulates notional interest on the account balance at a rate equal to the five-year United States Treasury Note yield rate in effect from time to time. Contributions to the phantom stock account are recorded as notional shares of Harsco common stock. Deferred amounts are credited to the Director's account quarterly on the 15th of February, May, August and November. The number of phantom shares recorded is equal to the number of shares of common stock that the deferred compensation would have purchased at the market price of the stock on the day the account is credited. Dividends earned on the phantom shares are credited to the account as additional phantom shares. All phantom shares

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are non-voting and payments out of the account are made solely in cash based upon the market price of the common stock on the date of payment selected by the Director. Under certain circumstances, the accounts may be paid out early upon termination of directorship following a change in control. This plan has been amended to operate in accordance with the provisions of the American Jobs Creation Act of 2004 and to ensure compliance with Internal Revenue Code Section 409A.

Directors who are actively employed by us receive no additional compensation for serving as Directors and we do not pay consulting or professional service fees to Directors.

2009 DIRECTOR COMPENSATION

The table below details the compensation earned by our non-employee Directors for 2009:

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(2)	Non-Equity Incentive		Change in Pension Value and		Total (\$)
			Option Award (\$)	Plan Compensation (\$)	Nonqualified Deferred Earnings (\$)	All Other Compensation (\$)	
Kathy G. Eddy	72,750	54,560	-0-	-0-	-0-	-0-	127,310
Stuart E. Graham	48,583	54,560	-0-	-0-	-0-	-0-	103,143
Terry D. Growcock	57,200	54,560	-0-	-0-	-0-	-0-	111,760
Jerry J. Jasinowski(3)	17,667	-0-	-0-	-0-	-0-	-0-	17,667
Henry W. Knueppel	53,750	54,560	-0-	-0-	-0-	-0-	108,310
D. Howard Pierce	62,750	54,560	-0-	-0-	-0-	-0-	117,310
Carolyn F. Scanlan(3)	18,417	-0-	-0-	-0-	-0-	-0-	18,417
James I. Scheiner	55,250	54,560	-0-	-0-	-0-	-0-	109,810
Andrew J. Sordoni, III	67,250	54,560	-0-	-0-	-0-	-0-	121,810
Robert C. Wilburn	74,500	54,560	-0-	-0-	-0-	-0-	129,060

(1) Includes fees associated with chairing a Board Committee.

(2) The amounts shown in this column represent the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board (FASB) ASC Topic 718 (formerly FAS 123(R)) for the restricted stock units granted during 2009, as further described below. As of December 31, 2009, each non-employee Director other than Ms. Eddy, Mr. Growcock, Mr. Graham and Mr. Knueppel had 11,007 restricted stock units outstanding. Ms. Eddy had 9,909 restricted stock units outstanding as of December 31, 2009. Mr. Growcock had 4,054 restricted stock units outstanding as of December 31, 2009. Both Mr. Graham and Mr. Knueppel had 2,000 restricted stock units outstanding as of December 31, 2009. Each non-employee Director was granted 2,000 restricted stock units on May 1, 2009 and these restricted stock units vest on April 27, 2010 and are not payable in common stock until a Director ceases to serve on our Board (in which case the shares of common stock are issued within 60 days following the termination of the non-employee Director's service as a Director). The aggregate grant date fair value of each non-employee director's 2009 restricted stock unit award shown above was computed in accordance with FASB ASC Topic 718, at a per share grant date fair value of \$27.28, which was determined using the average of the high and low price of the stock on the previous day's trading, less a discount

for dividends not received during the vesting period. The information in this column does not reflect an estimate for forfeitures, and none of these awards has been forfeited as of March 2, 2010. See Note 12, "Stock-Based Compensation" to Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2009 for a discussion of the assumptions used by us to calculate share-based employee compensation expense, as outlined in FASB ASC Topic 718. The 1995 Non-Employee Directors' Stock Plan was amended in 2009 to ensure compliance with Internal Revenue Code Section 409A.

(3) Did not stand for reelection at the 2009 Annual Meeting.

Table of Contents**SHARE OWNERSHIP OF DIRECTORS, MANAGEMENT AND CERTAIN BENEFICIAL OWNERS**

The following table sets forth, as of March 2, 2010, information with respect to the beneficial ownership of our outstanding voting securities, stock options and other stock equivalents by:

(a) Our Chief Executive Officer, Chief Financial Officer and the other four executive officers named in the 2009 Summary Compensation Table, who we refer to collectively as our named executive officers,

(b) each Director,

(c) all Directors and executive officers as a group, and

(d) certain beneficial owners holding more than 5% of the common stock.

All of our outstanding voting securities are common stock.

	Number of Shares(1)	Percent of Class	Number of Exercisable Options(2)	Number of Other Stock Equivalents
Named Executive Officers				
G. D. H. Butler	31,103	*	68,000	10,667(3)
S. D. Fazzolari	82,618	*	48,000	29,653(3)
M. E. Kimmel	19,142	*	4,000	11,494(3)
R. C. Neuffer	16,095	*	14,000	7,723(3)
G. J. Claro	4,927	*	-0-	7,500(3)
S. J. Schnoor	11,462	*	-0-	5,457(3)
Directors who are not Named Executive Officers				
K. G. Eddy	2,000	*	-0-	9,909(5)
S. E. Graham	5,000	*	-0-	2,000(5)
T. D. Growcock	1,000	*	-0-	4,679(5)
H. W. Kneuppel	1,000	*	-0-	2,000(5)
D. H. Pierce	4,000	*	12,000	11,305(5)
J. I. Scheiner	7,052	*	12,000	17,326(5)
A. J. Sordoni, III	224,800(4)	*	16,000	11,007(5)
R. C. Wilburn	7,000	*	12,000	14,246(5)
All Directors and executive officers as a group (15 persons in total, including those listed above)	418,269	*	186,000	146,632
More Than 5% Beneficial Owners (6)				
BlackRock, Inc., 40 East 52nd Street, New York, NY 10022	6,312,030	7.86		

* Less than one percent.

- (1) Includes, in the case of Messrs. Butler, Claro, Fazzolari, Kimmel, Neuffer, Schnoor and all Directors and executive officers as a group, -0- shares, -0- shares, 18,574 shares, 2,226 shares, 4,070 shares, 2,203 shares and 27,310 respectively, pursuant to our Retirement Savings and Investment Plan in respect of which such persons have shared voting power and sole investment power.

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- (2) Represents all stock options exercisable within 60 days of March 2, 2010 awarded under the 1995 Incentive Plan and the 1995 Non-Employee Directors' Stock Plan. Unexercised stock options have no voting power.
- (3) Includes non-voting phantom shares held under the Supplemental Retirement Benefit Plan which will ultimately be paid out in cash based upon the value of shares of common stock at the time of the payout, as well as non-voting phantom shares held in our non-qualified Retirement Savings and Investment Plan. Also includes for Mr. Butler 10,667 restricted stock units; for Mr. Fazzolari, 20,000 restricted stock units; for Mr. Kimmel, 10,000 restricted stock units; for Mr. Neuffer 7,000 restricted stock units; and for Mr. Schnoor 4,667 restricted stock units that were awarded in January 2008 and January 2009 and vest on a pro rata basis over a three-year period, subject to the terms of the 1995 Incentive Plan. Mr. Claro, received a grant of 15,000 restricted stock units in November 2009, pursuant to the terms of his employment offer letter with the Company, 7,500 of which vested in January 2010. Mr. Claro did not receive a grant in 2008 as he joined the Company in 2009. No named executive officer received a grant of restricted stock units in January 2010.
- (4) Includes 42,600 shares owned by his wife as to which Mr. Sordoni disclaims beneficial ownership.
- (5) Certain Directors have elected to defer a portion of their Directors' fees in the form of credits for non-voting phantom shares under the terms of our Deferred Compensation Plan for Non-Employee Directors. These phantom shares are included. They will ultimately be paid out in cash based upon the value of the shares at the time of payout. Also includes 500, 750, 1,000, 2,000, 2,000 and 2,000 restricted stock units that were granted under the 1995 Non-Employee Directors' Stock Plan on May 3, 2004, May 2, 2005, May 1, 2006, May 1, 2007, May 1, 2008 and May 1, 2009, respectively.
- (6) This information is derived from a Schedule 13G filing by such person with the Securities and Exchange Commission in January 2010, representing sole voting power over 6,312,030 shares, shared voting power over zero shares and sole dispositive power over 6,312,030 shares. These holdings represent 7.86% of our common stock.

Except as otherwise stated, each individual or entity has sole voting and investment power over the shares set forth opposite his, her or its name. None of the Directors and executive officers individually beneficially owned more than 1% of our common stock, and our Directors and executive officers as a group beneficially owned approximately .70% of our outstanding common stock. The mailing address for our Directors and executive officers is c/o Harsco Corporation, Corporate Secretary, 350 Poplar Church Road, Camp Hill, PA 17011.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors (the "Audit Committee") is composed of four Directors, each of whom is considered independent under the rules of the NYSE Euronext and the Securities and Exchange Commission ("SEC"). The Audit Committee, has, as part of its membership, an individual who satisfies the definition of a financial expert, as promulgated by the SEC. Ms. Kathy Eddy, a certified public accountant and former Chairman of the American Institute of Certified Public Accountants, has been a member of the Audit Committee since September 28, 2004 and serves as the Audit Committee's financial expert.

The Audit Committee operates pursuant to a written charter which was adopted in 1992 and which was most recently amended in February of 2010. A copy of the Audit Committee Charter can be viewed at the Corporate Governance section of our website at www.harsco.com/insight-on-harsco.

The Audit Committee reports to and acts on behalf of the Board of Directors by monitoring our financial reporting processes and system of internal controls, and monitoring our internal auditors and overseeing the independence and performance of the independent auditors. In carrying out these responsibilities, the Audit Committee discussed with our internal auditors and independent

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auditors the overall scope and plans for their respective audits of our financial statements. The Audit Committee also meets with members of management, our independent auditors and our internal auditors on a regular basis or as may otherwise be needed. The Audit Committee Chairman or her designee 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 SEC.

While the Audit Committee and Board of Directors monitor our financial record keeping and controls, it is our management that is ultimately responsible for our financial reporting process, including our system of internal controls, disclosure control procedures and the preparation of the financial statements. The independent auditors support the financial reporting process by performing an audit of our financial statements and issuing a report thereon.

The Audit Committee has reviewed and discussed with management and the independent auditors the audited consolidated financial statements for the year ended December 31, 2009 and related periods. These discussions focused on the quality, not just the acceptability, of the accounting principles used by us, key accounting policies followed in the preparation of the financial statements and the reasonableness of significant judgments made by management in the preparation of the financial statements and alternatives that may be available.

In addition, the Audit Committee has discussed with the independent auditors the matters required to be discussed pursuant to Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standard, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, including the quality of our accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Audit Committee has also received the written disclosures and the letter from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the audit committee concerning independence, and has discussed with the independent auditors the independent auditors' independence.

Based on the review and discussions referred to above, the Audit Committee's review of the representations of management and the report of the independent auditors, the Audit Committee recommended to our Board of Directors, and our Board of Directors approved, that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 for filing with the SEC.

SUBMITTED BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS:

K. G. Eddy, Chairman
S E. Graham
H. W. Knueppel
A. J. Sordoni, III

Table of Contents**FEES BILLED BY THE INDEPENDENT AUDITORS FOR AUDIT AND NON-AUDIT SERVICES**

The following table sets forth the amount of audit fees, audit-related fees, tax fees and all other fees billed or expected to be billed by PricewaterhouseCoopers LLP, our principal auditor for the fiscal years ended December 31, 2009 and December 31, 2008.

	Amount 2009	Amount 2008
Audit Fees(1)	\$ 4,830,885	\$ 6,357,580
Audit-Related Fees(2)	\$ 570,622	\$ 753,489
Tax Fees(3)	\$ 1,313,879	\$ 1,562,341
All Other Fees(4)	\$ 61,026	\$ 190,799
Total Fees	\$ 6,776,412	\$ 8,864,209

- (1) Includes the integrated audit of the consolidated financial statements and internal controls over financial reporting as well as statutory audits, quarterly reviews and issuance of comfort letters.
- (2) Includes due diligence procedures and accounting consultations.
- (3) Includes services performed in connection with income tax services other than those directly related to the audit of the income tax accrual. Tax compliance services were \$724,938 and \$971,000 in 2009 and 2008, respectively.
- (4) Includes certain agreed upon procedures and licensing fees for software products.

The Audit Committee has considered the possible effect of non-audit services on the auditors' independence and pre-approved the type of non-audit services that were rendered. The Audit Committee has adopted a policy for pre-approval of audit, non-audit and tax services by the independent auditors. The Audit Committee may pre-approve services, such as the annual audit fee and statutory audits. The services to be provided are to be reviewed with the Audit Committee and approval is given for a specific dollar amount and for a period of not greater than 12 months. Services that are not pre-approved in this manner must be pre-approved on a case-by-case basis throughout the year. Additionally, if the pre-approved fee is to be exceeded, approval of the Audit Committee must be obtained. In making its decision regarding the approval of services, the Audit Committee will consider whether such services are consistent with the SEC's rules on auditor independence, whether the independent auditor is best positioned to provide such services and whether the services might enhance our ability to manage or control risk or improve audit quality. No services were provided during the last two fiscal years pursuant to the de minimis safe harbor exception from the pre-approval requirements. All of the fees included in the table above under Audit-Related Fees, Tax Fees and All Other Fees, were pre-approved by the Audit Committee, or, if the pre-approval amount was exceeded, approval of the Audit Committee was obtained in accordance with the procedure above.

PROPOSAL 2: APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee has designated PricewaterhouseCoopers LLP as independent auditors to audit our financial statements for the fiscal year ending December 31, 2010. This firm has audited the financial statements of the Company and its predecessors since 1929. Although not required to do so by law or otherwise, the Audit Committee desires that stockholders ratify its selection of PricewaterhouseCoopers LLP as our independent auditors. Therefore,

the Audit Committee's choice of independent auditors will be submitted for ratification or rejection at the Annual Meeting. In the absence of contrary direction from stockholders, all proxies that are submitted will be voted in favor of the confirmation of PricewaterhouseCoopers LLP as our independent auditors. A representative of PricewaterhouseCoopers LLP will attend the Annual Meeting, with the opportunity to make a statement and answer questions of stockholders.

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If this proposal is not ratified by a majority of the shares entitled to vote at the Annual Meeting, the appointment of the independent auditors will be reevaluated by the Audit Committee. Due to the difficulty and expense of making any substitution of auditors, it is unlikely that their appointment for the audit of the financial statements for the fiscal year ending December 31, 2010 would be changed. However, the Audit Committee may review whether to seek new independent auditors for the fiscal year ending December 31, 2011.

The Audit Committee, at its meeting held in June 2009, reviewed and approved the fee estimate for the annual audit of our fiscal 2009 financial statements and, taking into consideration the possible effect of non-audit services on the auditors' independence, also reviewed specific non-audit services to be rendered for income tax services.

The Board of Directors recommends a vote FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditors.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Summary

In the following pages, we discuss and analyze how our CEO, CFO, and four other most highly compensated executive officers (who we refer to as our named executive officers) were compensated for fiscal 2009, and describe how this compensation fits within our executive compensation philosophy. We also describe certain changes to our executive compensation programs for fiscal 2010 and later years.

Harsco Corporation is a diversified industrial services company serving global industries that are fundamental to worldwide economic growth, including infrastructure, metals, railways and energy. As with most global companies, through 2009, as compared to the first three quarters of 2008, we experienced extreme economic turbulence, and we saw the world's financial and economic conditions deteriorate significantly. As a consequence of the global crisis, our full year's economic value added, or EVA[®], results for most of our segments and for the Company as a whole were below established targets for 2009. Only our Harsco Rail business unit, which provides worldwide track maintenance services, reached its maximum EVA payout for 2009. The only other units that earned sufficient EVA to warrant any annual incentive bonus payouts in 2009 were our Harsco Industrial Air-X-Changers business unit, the leading manufacturer of air-cooled heat exchangers for the natural gas industry, our Harsco Industrial Patterson-Kelly business unit, an internationally recognized market leader and major producer of heat transfer equipment, including hot water boilers and water heaters for institutional and commercial building applications, and our Harsco Minerals business unit, which generates value through its specialty expertise for capturing and processing industrial co-products to serve specific commercial applications. As discussed further below, the vast majority of individuals within the Company earned little or no annual incentive bonus, including all of our named executive officers except Galdino Claro, who is guaranteed a bonus under his employment offer letter, and Rich Neuffer, who heads the Harsco Rail and the Harsco Industrial business units. For our long-term performance goal of corporate EVA, we met our established 2006-2008 targets, which payout is reflected in the 2009 Summary Compensation Table and 2009 Grants of Plan-Based Awards Table, but did not meet our established 2007-2009 targets for grants which would have been paid in 2010 and therefore no long-term incentive was paid to any executive or other employee in the Company for 2007-2009 performance period. Galdino Claro, who is guaranteed certain long-term incentive pay in accordance with the terms of his employment offer letter, received a separate RSU grant in 2009, a portion of which was paid out

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in January 2010. Mr. Claro, who is our newest named executive officer, joined us in June 2009 and serves as CEO of our Harsco Metals and Harsco Minerals Groups. Prior to joining the Company, among other positions, he served as CEO Aleris Americas for Aleris International, a global leader in the production of aluminum rolled and extruded products, recycled aluminum and special alloys, from 2008 to 2009. Before joining Aleris International, Mr. Claro served as President and CEO of the Heico Metals Processing Group, a diversified conglomerate with operations in the U.S., Canada and Europe.

Our executive officer pay determinations in 2009 were based in significant part on our above-mentioned financial performance. In addition to the direct compensation issues relating to payment of annual and long-term incentives, the top issues considered by the Company and our Compensation Committee during 2009 included the following:

Revising our annual incentive plan to better align participation and payouts under the program with our new global compensation system and the overall needs of the Company and our individual business units;

Addressing the proper structure of long-term incentives in order to balance the performance and retention objectives of the program;

Determining the appropriate level of employees to participate in our performance-based restricted stock unit (or RSU) long-term equity program, considering overall reward levels, our costs, competitive factors and internal compensation equity;

Undertaking a review process and selecting a compensation consultant to work directly with and for the Committee; and

Overseeing our continued rigorous implementation of our new human capital framework, which is underpinned by our core values of building a strong global leadership team with the talent and abilities required to achieve our strategic and financial objectives.

General Compensation Philosophy

Our compensation programs are structured to align the long-term interests of our executives and our stockholders. They are designed to reflect our goal of fair, but conservative wages, while both ensuring that we attract, retain and motivate a premier management team to sustain our competitive advantage in the marketplace and providing a framework that encourages outstanding financial results over the long term. In administering our executive compensation program, we look to accomplish the following:

Attract and retain top-level executives who are critical to our long-term success;

Promote and reward individual initiative and achievement;

Provide levels of compensation that are fair, reasonable and competitive with comparable companies; and

Incentivize and reward management to achieve our annual performance goals, which are specifically designed to reinforce the creation and enhancement of stockholder value.

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In addition to these goals, we, through our Compensation Committee, administer our executive compensation programs with the following guiding principles in mind:

Guiding Principles	Rationale
Maintain total compensation packages that range from moderately below to moderately above industry medians	Compensation must be competitive with the marketplace in order to attract and help retain talent while retaining some flexibility to provide higher rewards for superior achievement
An increasing portion of officers' total compensation should be based on performance as their seniority increases	Executives most able to affect our performance should have a significant portion of their potential total compensation at risk and dependent upon our performance
A portion of an officer's total compensation should be stock-based	Executive officers should share in the common stock gains and losses experienced by our stockholders in order to reinforce the alignment of their respective interests

Overview of Compensation Program

Our executive compensation program is carried out through several compensation methods. Each has its own purpose, but together they work to create a compensation package that both fairly compensates the individual for the services rendered to us and the results achieved and provides appropriate value to us for the payments we have made.

The primary compensation methods that we use and the manner in which they are administered include the following:

- Annual base salary;
- Annual cash incentive compensation;
- Long-term, performance-based equity compensation in the form of RSUs; and
- Various health, disability, retirement and other benefits, including post-termination arrangements, commonly provided by similar companies.

In allocating these various compensation components, our management believes that employees in higher ranks should have a higher proportion of their total compensation delivered through pay-for-performance-based cash incentives and long-term equity compensation. As a result, their compensation will be more significantly connected to our financial performance. We also believe that as executives rise to positions that can have a greater impact on our performance, the compensation program should place more emphasis on the value of our common stock. In all cases, however, we strive to ensure that there is a clear correlation between our performance and the compensation of our employees, such that a difficult year for the Company, such as 2009, will result in a reduction in total compensation for our employees who work for affected segments of our business. We believe this best aligns our compensation interests and the investment interests of our stockholders, and allows our Board to responsibly perform their duties as they relate to compensation.

Compensation Policies and Practices as They Relate to Risk Management

We have reviewed our compensation policies and practices for all employees and concluded that any risks arising from our policies and programs are not reasonably likely to have a material adverse effect on the Company. In addition, the Committee reviews the relationship between our

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risk management policies and practices and the incentive compensation we provide to our named executive officers and other key employees to confirm that our incentive compensation does not encourage unnecessary and excessive risks.

It is our view that:

our compensation programs provide a balance between our short-term and long-term goals and objectives;

under our compensation program, the highest amount of compensation can be achieved through consistent superior performance over sustained periods of time, which discourages short-term risk taking;

our goals are appropriately set to avoid targets that, if not achieved, result in a large percentage loss of compensation;

rolling three-year performance targets for our long-term incentive plan discourage short-term risk taking;

incentive awards are capped by the Compensation Committee; and

equity ownership guidelines discourage excessive risk taking.

Furthermore, as described in our Compensation Discussion and Analysis, compensation decisions include subjective considerations, which restrain the influence of formulae or objective factors on excessive risk taking.

Compensation Consultants

Our Compensation Committee has the authority under its charter to engage the services of outside advisors, experts and others to assist the Committee. Exercising this authority during 2009, the Committee directly engaged Pearl Meyer & Partners as its independent compensation consultant.

The Compensation Committee utilizes the following information provided by the following, management-engaged consultants and by its directly engaged compensation consultant:

Consultant	Component of Compensation Reviewed	Advice Provided
Stern Stewart & Co.	Annual EVA-based Incentive Plan and Long-Term RSU Equity Compensation Program	Advises on economic value-added program, both from an operations and from a compensation standpoint and assists in developing both annual and long-term EVA goals
Towers Watson	Executive compensation benchmarking	Develops the annual compensation review of our top senior executives, which is then utilized by our Compensation Committee. Provides actuarial services

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Consultant	Component of Compensation Reviewed	Advice Provided
Pearl Meyer & Partners	All aspects of compensation	Provides the Committee with its view on all executive compensation issues considered by the Committee and with a second view of all compensation data that is provided by the Company's consultants. Pearl Meyer has also developed its own benchmark group for use with the Committee in evaluating overall executive compensation

Stern Stewart & Co. was selected and engaged by management because of their expertise in working with economic value-added programs, both from an operating and compensation standpoint. Towers Watson was chosen by management to provide compensation services to us because of their broad level of expertise in the compensation and benefits area and their expansive knowledge of relevant market data in these areas. Pearl Meyer & Partners was selected and engaged by the Committee because of their broad expertise in many executive compensation issues as well as their fit with the philosophy and personality of the Committee. Stern Stewart & Co. and Towers Watson have in the past attended Compensation Committee meetings upon invitation from our Compensation Committee, though neither consultant attends Compensation Committee meetings on a regular basis. Pearl Meyer attends Compensation Committee meetings on a regular basis.

In 2009, Towers Watson received aggregate fees in the amount of \$117,892 for compensation-related services it provided to management and the Compensation Committee. Towers Watson also provides pension plan-related advice to our Human Resources group and has also assisted in due diligence reviews of potential acquisition candidates, and in 2009 was compensated for these services in the amount of \$1,418,180. The decision to engage Towers Watson for these non-compensation related services was made by management. The Compensation Committee and the Board did not approve these services. No other compensation consultant received in excess of \$120,000 during 2009 for non-compensation related services.

Peer Group and Market Data

To ensure that total compensation for the named executive officers is aligned with the market, the Compensation Committee benchmarks salaries, total cash compensation (in other words, salary plus annual cash incentives) and total direct compensation (in other words, salary plus annual cash incentives and long-term incentive awards) annually against survey data provided by Towers Watson during Towers Watson's annual review of executive compensation for our senior executive officers. In addition, for the first time, in 2009, the Committee also looked at benchmark data developed by Pearl Meyer. Pearl Meyer developed a smaller group of fourteen publicly-traded companies that the Committee and management agreed were peer companies, when looking at factors including lines of business, total revenues and global revenues (in other words, their multinational status). As we are a diversified industrial services company, no other company perfectly matches our profile. Companies included in the Pearl Meyer survey, therefore, are

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companies that had one or more business aspects that correspond with one or more aspects of our business. The fourteen peer group companies are:

AMETEK, Inc.	Kennametal Inc.
Commercial Metals Company	The Manitowoc Company, Inc.
Cooper Industries, Ltd.	Minerals Technologies Inc.
Dover Corporation	Sauer-Danfoss, Inc.
EMCOR Group, Inc.	SPX Corporation
Flowserve Corporation	Teleflex Incorporated
Jacobs Engineering Group Inc.	United Rentals, Inc.

Performance and compensation data for the peer group was tracked by Pearl Meyer and provided to the Committee as part of the annual executive compensation review process. The Committee also, on a periodic basis, reviews the competitiveness of aspects of the Company's benefits package.

In preparing the compensation survey data it provides to the Compensation Committee, Towers Watson, in contrast, utilizes a broad industry-wide benchmarking database of approximately 760 companies. In completing its analysis for each of our named executive officers, Towers Watson begins by screening its database for compensation data related to positions with duties and responsibilities similar to those of the executives. Towers Watson then subjects that data to a regression analysis (which helps define the relationship between revenue and an executive's compensation). The regression analysis is then used to calculate a compensation level for the executive consistent with our total revenues. In this way, Tower Watson's use of regression analysis adjusts the data in its benchmarking database.

Benchmarking and Impact of Individual Performance*Initial Benchmarking*

In reviewing salaries, total cash compensation and total direct compensation, the Compensation Committee initially considers how each named executive officer's compensation compares to the 50th percentile. We chose to target the 50th percentile based on our belief that our executive officers should be compensated at neither the high nor the low end of compensation as compared to their peers, but should receive a reasonable level of compensation based on both our performance and their individual performance when they perform at the target level.

For 2009, our named executive officers' established compensation was determined to be above or below the 50th percentiles of the Towers Watson benchmark group as follows:

Name	Salary	Total Cash Compensation	Total Direct Compensation
Mr. Fazzolari	46.35%	46.35%	30.36%
Mr. Butler	47.24%	49.60%	48.98%
Mr. Neuffer	58.31%	61.23%	46.76%
Mr. Schnoor	44.44%	41.83%	33.54%
Mr. Kimmel	47.88%	46.68%	36.05%
Mr. Claro	65.93%	63.95%	44.95%

Our Compensation Committee then sets final compensation amounts either above or below the initial benchmarks, taking into account additional factors such as:

Differences in the scope of responsibilities held by the named executive officers;

Length of service with us and in specific positions;

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Performance (specifically the effect of what the Compensation Committee has viewed as exceptional performance) of duties during a named executive officer's tenure with us; and

Market requirements.

Individual Performance

As described above, the Compensation Committee considers our overall corporate performance when making compensation decisions for the named executive officers. To a lesser extent, the Compensation Committee considers individual performance by each of the named executive officers during the course of the year, as evaluated by the Compensation Committee in the case of the CEO, and by the CEO and the Compensation Committee in the case of our other named executive officers, as further discussed below. The Compensation Committee also considers the performance of our divisions in the case of the named executive officers who lead such divisions. Individual performance generally has an impact on compensation decisions in only two ways, both of which involve the significant use of discretion on the part of the Compensation Committee.

First, if applicable, the Compensation Committee considers individual performance when determining the named executive officers' base salaries. In such cases, certain non-quantifiable factors may be considered by the Compensation Committee when establishing executives' salaries, including the executives' performance in leading improvements in the financial performance of poorly performing businesses or divisions, or addressing specific and major Company events or issues outside the ordinary course of business (for example, acquisitions, divestitures, financings or restructurings). Many of these other factors are clearly not established, hard and fast performance goals, but are qualitative individual performance factors that, if and when taken into consideration, would generally have a significant impact on our performance for the year and the individual officer's success in his or her position.

Second, if applicable, the Compensation Committee also generally considers individual performance when determining our named executive officers' long-term incentive compensation awards. When determining the equity awards to be paid out to the named executive officers, the Compensation Committee will first look at our overall performance with respect to the pre-established financial goal or goals. If our overall goals are satisfied, the Compensation Committee next looks to the financial performance of the division for which the officer is responsible, and then to the officer's individual and non-quantifiable contributions to the Company during the applicable performance period. If the Compensation Committee does not believe that a named executive officer has adequately contributed to our overall performance during the fiscal year, the Compensation Committee may reduce the number of RSUs awarded to the officer (assuming that Company-wide performance targets have been achieved such that RSU payouts would have otherwise been approved). The Compensation Committee did not exercise this type of discretion when determining equity payouts for 2009 specifically because no equity payouts for 2009 were earned due to the Company's failure to meet its performance goals.

For 2009, the Compensation Committee specifically considered the following individual performance and other quantifiable and non-quantifiable factors (including financial performance factors involving particular divisions within a named executive officer's area of responsibility) when making compensation decisions for the following named executive officers:

For Mr. Fazzolari: leadership of the Company by developing, articulating and communicating a clear strategy; disciplined execution of strategy; setting values and tone through implementation of a core ideology; management, recruitment, development and succession planning; our overall growth in revenues, earnings, EVA and cash flow; and our successful completion of significant transactions;

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For Mr. Butler: EVA improvement; overall growth in revenues and earnings for our Harsco Infrastructure and Harsco Metals segments; management succession and development for our Harsco Infrastructure and Harsco Metals segments; and the successful handling and integration of key transactions;

For Mr. Schnoor: our overall growth in revenues, earnings and EVA and improved performance, looking primarily to financial measures and overall strategic development goals;

For Mr. Kimmel: our successful completion of significant transactions; our handling of major litigation matters and other legal issues; implementation of human resources strategic initiatives; and the successful oversight of risk management issues;

For Mr. Neuffer: EVA improvement, overall growth in revenues and earnings for our Harsco Minerals group, Harsco Industrial group and Harsco Rail group; reorganization of certain companies within our Harsco Minerals group and Harsco Rail group; and management succession and development for our Harsco Minerals and Harsco Rail group; and

For Mr. Claro: EVA improvement, overall growth in revenues and earnings for our Harsco Metals and Harsco Minerals groups; reorganization of certain operations and methods of doing business within our Harsco Metals and Harsco Minerals groups; and management succession and development for our Harsco Metals and Harsco Minerals groups.

The Compensation Committee did not specifically structure its compensation decisions to create notable disparity between the compensation elements paid to our named executive officers. Instead, the differences between the amounts paid to our named executive officers result from the standard application of our compensation policies and formulae, and specifically from the above-noted considerations.

Role of Management in the Compensation Process

As noted above, our Chairman and CEO plays several roles in our compensation process. In general, he reviews our proposed overall budget increases for executive officer salaries and approves, on an individual basis, recommendations made by management regarding year-to-year executive compensation increases. More specifically, for 2009, our Chairman and CEO reviewed both (1) benchmark compensation materials and other related information provided by Towers Watson and Pearl Meyer and (2) recommendations submitted by members of our senior management team, before submitting management's recommendations to the Compensation Committee regarding salary increases and changes to bonus percentages and equity compensation awards for members of our senior management team, as well as the reasons for these recommended changes. Our Chairman and CEO also generally provides factual support to the Committee with regard to recommendations to the Committee of senior management salary and incentive where discretion is utilized by the Committee.

Our Chairman and CEO also provides the Compensation Committee with factual information on which it bases its decisions regarding his compensation. As an example, our Chairman and CEO meets with the Compensation Committee in executive session during each November meeting to review the progress made on key priorities as well as our results for that fiscal year. Our independent Directors participate in the November session. The Chairman and CEO has no decision-making involvement with respect to his own compensation, however. Instead, the Compensation Committee determines its recommendation regarding the Chairman and CEO's compensation package for the subsequent fiscal year based on the facts gathered from its meeting with the Chairman and CEO, plus compensation survey information provided to us by Towers Watson and Pearl Meyer, and whatever other information and factors it chooses to consider from year-to-year.

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The Chairman and CEO has the authority to call Compensation Committee meetings, but no such meetings have been called by the Chairman and CEO in the past two years. Additionally, the Chairman and CEO has the authority to call and hold meetings with each of Towers Watson and Stern Stewart & Co. We are aware of only one individual meeting between the Chairman and CEO and any of our compensation consultants in recent history, namely, a meeting between the Chairman and CEO and Pearl Meyer that took place in August 2009, during which the Chairman and CEO briefed Pearl Meyer on our strategy and human resources policy as part of Pearl Meyer's orientation, as the newly appointed consultant to the Committee, to the role of advising the Committee, which is Pearl Meyer's standard practice.

Components of 2009 Executive Compensation Program

Each component of direct and indirect compensation paid to our named executive officers for 2009 is summarized in the table below:

Component	<u>Characteristics</u>	Purpose	Where Reported in Accompanying Tables
Base Salary	Base salary generally comprised 39.0% to 52.2% of the total compensation for our named executive officers. Determined based upon competitive salary data provided by Towers Watson and Pearl Meyer, each individual's past performance and their level of responsibility within our organization	To provide a base level of compensation for the services provided to the Company	2009 Summary Compensation Table under the Salary column
Annual Cash Incentive Compensation	Payout is based on the extent of the achievement of independently pre-established EVA targets, both at a company and division level, taking into account the executive's salary and bonus percentage	To compensate for the achievement of pre-established annual goals that the Board believes will increase stockholder value	2009 Summary Compensation Table under the Non-Equity Incentive Plan Compensation column and 2009 Grants of Plan-Based Awards Table under the Estimated Possible Payouts Under Non-Equity Incentive Plan Awards column

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Component	<u>Characteristics</u>	Purpose	Where Reported in Accompanying Tables
Long-Term Equity Compensation	Restricted stock units granted to an executive based on the level of achievement attained by us based on specified performance targets and the exercise of discretion by the Compensation Committee, which may, in its discretion, reduce an award below the targeted payout amount	To compensate for the achievement by the Company of longer-term goals which are pre-established by the Board and whose achievement is believed to increase stockholder value over the longer term	2009 Summary Compensation Table under the Stock Awards column; 2009 Grants of Plan-Based Awards Table under the Grant Date Fair Value of Stock and Option Awards column; Outstanding Equity Awards at 2009 Year-End Table; and 2009 Option Exercises and Stock Vested Table
Perquisites	Of a nature other than cash and designed to meet certain needs of our executives while providing a competitive compensation package	To provide our executives with selected benefits commensurate with those provided to executives at our peer group companies which permit the employee to address certain health, disability and other needs	2009 Summary Compensation Table under the All Other Compensation column
Retirement Benefits	Primarily delivered through defined contribution and defined benefit plans that are similar in form to those benefits available to our other employees	To provide an appropriate level of replacement income upon retirement	2009 Summary Compensation Table under the Change in Pension Value and Nonqualified Deferred Compensation Earnings column and All Other Compensation column
Potential Payments upon Change in Control	Contingent in nature. Most elements are payable only if a named executive officer's employment is terminated as specified under the change in control provisions of various plans	To encourage executives to consider as objectively as possible whether a possible change in control transaction is in the Company's best interests	Termination or Change in Control Arrangements Tables

Other Potential
Post-Employment Payments

Contingent in nature.
Amounts are payable only
if a named executive
officer's employment is
terminated as specified
under the arrangements of
various plans

To provide additional
amounts in cases of death,
disability, retirement,
termination without cause
or for cause, and voluntary
separation

Termination or Change
in Control
Arrangements Tables

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Analysis of 2009 Executive Compensation Decisions

Salaries

In determining annual salary levels for each of our named executive officers, our Compensation Committee took into consideration the following factors:

benchmark information independently developed by each of Towers Watson and Pearl Meyer;

the officer's current and historical performance and contribution to our business, including the achieved results of the operations for which he or she is responsible and other key strategic accomplishments on pre-established goals within his or her areas of responsibility;

each officer's level and amount of responsibility within our business, focusing particularly on the individual's ability to impact financial results either directly or through the groups of people they manage;

comparison to other internal salaries, with the goal of internal equity that aligns positions with similar levels of responsibility;

the overall operating results that have been achieved by us and each individual division; and

our salary range structure for various grade levels.

Of continuing importance for 2009 were the 2008 promotions experienced by our senior management team in light of the implementation of our senior management succession plan. As a result, our Compensation Committee, in reviewing salaries for 2009, took into account the continued expansion of the named executive officers' roles during calendar year 2009. In late 2009, however, our management team, together with our Compensation Committee made the difficult decision to freeze salaries across the board at Harsco, including freezing the salaries of the named executive officers (with the exception of Galdino Claro, who was guaranteed an increase in salary under his employment offer letter, as discussed above). Our management team and the Committee made this difficult decision in light of current economic conditions and in keeping with our core values of tying compensation not only to individual performance but also to the performance of the Company as a whole.

Annual Incentive Compensation Plan

After the end of each fiscal year, management presents to our Compensation Committee a summary and recommendation for payouts of management incentive bonuses. The presentation includes the following:

Information on our EVA performance for the fiscal year just ended, both on an overall company and individual division basis;

Awards to each executive officer under the plan during the prior three years;

Salaries for the fiscal year just ended and target award information; and

A specific recommendation for management incentive bonuses based on the above criteria.

The performance criteria under the 1995 Incentive Plan are periodically approved by our stockholders, and were last approved at our 2009 Annual Meeting.

Target Annual Incentive Payouts

Payments of annual incentives are a function of the executive's annual salary multiplied by an applicable bonus percentage, which in turn is multiplied by a performance percentage. The bonus percentage is the executive's annual incentive opportunity as determined by the Compensation

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Committee for each individual executive and is a function of the individual's level of responsibilities and his or her ability to impact our overall results.

The performance percentage is determined based on achievement of EVA objectives and can range from zero to 200%. A target bonus is awarded for 100% performance. Zero and 200% were set as outer limits based on recommendations by our consultant, Stern Stewart & Co., and our desire to keep incentive payments within a certain range. Because of the way the incentive system is structured, there is a 15% probability that either an award of zero or 200% will be achieved. In the past, certain divisional officers have achieved zero payouts as well as 200% payouts. Since the annual incentive program is formula driven and the formula is approved at the same time as the annual performance targets, our Committee only has discretion to reduce the recommended awards for the named executive officers.

The target bonus percentages for the named executive officers for 2009 were as follows:

Executive	Minimum	Target	Maximum
S.D. Fazzolari	0%	100%	200%
G.D.H. Butler	0%	68%	136%
R.C. Neuffer	0%	68%	136%
S.J. Schnoor	0%	60%	120%
M.E. Kimmel	0%	56%	112%
G. J. Claro	0%	65%	130%

Actual annual incentive award payouts to the named executive officers are detailed in the 2009 Summary Compensation Table. As was the case with many companies, we as a whole were impacted by the economic turmoil during calendar year 2009, and annual incentive bonuses were significantly below prior years' levels. Most of our named executive officers, namely Messrs. Fazzolari, Butler, Schnoor and Kimmel, received zero incentive award payouts for 2009 due to our failure to achieve our EVA objectives. Our Harsco Minerals, Harsco Rail and Harsco Industrial business groups, however, performed very well and were only slightly impacted by the economic downturn; as a result, Mr. Neuffer earned a bonus at 185% of his target. Mr. Claro received a guaranteed bonus award in accordance with the terms of his employment offer letter.

Performance Metric for Annual Incentive Compensation Plan and Fiscal 2009 Performance Results

EVA is an operating mindset that is instilled in our employees and is utilized in the way we operate our businesses. In light of this, it was deemed the appropriate measure by which to judge results for incentive purposes. EVA is calculated by subtracting from net operating profit after tax (which is similar to operating earnings less taxes) a charge for capital employed in the particular business (which is the product of the amount of capital utilized multiplied by our cost of capital).

EVA improvement is a measure of the growth anticipated by stockholders. It represents the amount that EVA (calculated as described above) must improve each year in order for our current operations value (referred to as COV) to increase to the Company's total market value. COV is calculated as the sum of our current EVA capital plus the value that would be produced if EVA was maintained at its current level (in other words, no growth in EVA) into perpetuity.

The 2009 EVA improvement target was developed by our compensation consultant, Stern Stewart & Co., based on the principles outlined above. The payout under the annual incentive bonus program is based on the amount of economic

value created in the appropriate year, both for the Company as a whole and for the business units for which a named executive officer has responsibility. The EVA improvement target for 2009 for the Company as a whole was a negative

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\$7,400,000. The EVA improvement required for a target bonus payout for the business units for which Mr. Butler was responsible was a negative \$2,345,000, the EVA improvement required for a target bonus payout for the business units for which Mr. Neuffer was responsible was a negative \$5,055,000 and the EVA improvement required for a target bonus payout for the business units for which Mr. Claro was responsible was a negative \$2,712,000.

In addition to the EVA improvement target, an EVA interval both above and below the EVA improvement target is also calculated. The EVA intervals serve as the guide for determining an officer's performance bonus multiplier in terms of the amount of EVA improvement actually achieved. For example:

If the annual EVA improvement achieved equals the target, the officer receives 100% of his target performance bonus.

Similarly, if the annual EVA improvement achieved is within one interval above or below the target, the officer receives a percentage of his target performance bonus, which is calculated by interpolating the percentage of the interval achieved.

If the annual EVA improvement achieved is more than one interval above the target, the officer would receive his maximum performance bonus, which is twice his target performance bonus.

Conversely, if the annual EVA improvement achieved is more than one interval shy of the target, the officer receives no bonus.

For 2009, the EVA interval for the Company as a whole was \$39,000,000. The EVA interval for those business units for which Mr. Butler has responsibility was \$33,700,000, the EVA interval for the business units for which Mr. Neuffer has responsibility was \$13,600,000 and the EVA interval for the business units for which Mr. Claro has responsibility was \$26,900,000.

An example of how the EVA system works may provide clarification. If we as a whole achieved a negative \$7,400,000 in EVA improvement, those individuals paid on Company-wide performance would receive their target payout amount (100%). If, instead, we as a whole achieved \$31,600,000 or more (that is, negative \$7,400,000 plus \$39,000,000) in EVA improvement, an individual paid on corporate performance would receive his or her maximum payout amount (200%). If the amount of EVA improvement achieved was less than negative \$7,400,000 but more than a negative \$46,400,000 (that is, negative \$7,400,000 minus \$39,000,000), then the officer would be entitled to a payout, but the payout would be an amount less than the target payout and calculated by interpolating the percent of the interval achieved. If the amount of EVA improvement achieved was more than negative \$7,400,000 but less than \$31,600,000, then the officer would be entitled to a payout in an amount more than the target payout, but calculated by interpolating the percent of the interval achieved.

In 2009, we as a whole produced negative \$133,637,000 in EVA improvement (\$126,237,000 below the applicable EVA target), which resulted in a bonus percentage of zero percent for those individuals whose bonuses were based on corporate performance. The business units for which Mr. Butler was responsible generated negative \$127,139,000 in EVA improvement (\$124,794,000 below the applicable EVA target), which resulted in a bonus percentage of zero percent for Mr. Butler. The business units for which Mr. Neuffer was responsible generated \$6,556,000 in EVA improvement (\$11,611,000 above the applicable EVA target), which resulted in a bonus percentage of 185% for Mr. Neuffer. The business units for which Mr. Claro was responsible generated negative \$44,894,000 in EVA improvement (\$42,182,000 below the applicable EVA target), which would have resulted in a bonus percentage of zero percent for Mr. Claro. Mr. Claro,

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however, was guaranteed a target level payout under the annual incentive plan pursuant to the terms of his employment offer letter with the Company.

We, with the input of Stern Stewart, have established minimum, target and maximum objectives for overall EVA performance for 2010 and allocated that target objective among the divisions. Thus, the annual incentive compensation awards of the corporate officers are closely related to the overall performance of the divisions against their EVA goals. Goals are recommended by Stern Stewart & Co. to the Committee, and senior management has very limited input into the establishment of the EVA targets.

Equity Compensation

The primary purpose of our long-term incentive compensation program, as evidenced by grants of RSUs, is to drive maximum stockholder return by directly aligning the interests of management and stockholders and motivating key executives to remain with us. For our purposes, an RSU refers to an award of a share of deferred stock that is subject to a risk of forfeiture or performance conditions. We believe our long-term incentive program achieves this goal by:

Rewarding the named executive officers for the creation of sustained stockholder value;

Encouraging ownership of our stock by management;

Fostering teamwork; and

Providing us with a means to retain and motivate high-caliber executives.

Review of RSU Target Awards

During its November 2005 meeting, the Compensation Committee reviewed proposed RSU grants for each named executive officer for the three-year performance period ending December 31, 2008 (that is, RSUs that, if the performance criteria are met, would be granted in January 2009), as follows:

Named Executive Officer	Target Award
S.D. Fazzolari	20,000 RSUs
G.D.H. Butler	16,000 RSUs
R.C. Neuffer	7,000 RSUs
S.J. Schnoor	4,000 RSUs
M.E. Kimmel	10,000 RSUs
G.J. Claro	Not applicable

During its November 2006 meeting, the Compensation Committee reviewed proposed RSU grants for each named executive officer for the three-year performance period ending December 31, 2009 (that is, RSUs that, if the performance criteria are met, would be granted in January 2010), as follows:

Named Executive Officer	Target Award
S.D. Fazzolari	20,000 RSUs
G.D.H. Butler	16,000 RSUs

R.C. Neuffer	7,000 RSUs
S.J. Schnoor	4,000 RSUs
M.E. Kimmel	10,000 RSUs
G.J. Claro	Not applicable

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Performance Metrics for RSUs

In furtherance of the Company's pay-for-performance culture, payouts for RSUs are contingent upon satisfaction of certain pre-established performance goals spanning a three-year period. We believe performance-based RSUs are less commonly used among companies offering long-term equity incentives in the form of RSUs than time-based RSUs.

The performance goals for the 2006-2008 performance period were diluted earnings per share from continuing operations and cash flow from operating activities. These goals were approved for each of 2006, 2007 and 2008 by our full Board. The performance goals for the 2007-2009 performance period were cumulative EVA, which is more fully described on pages 35 and 36 of this Proxy Statement. Performance goals for EVA improvement are recommended by management to the Board and are based upon expectations regarding the targeted growth in these measures over the applicable performance periods. The recommended objectives were consistent with the objectives discussed with the investment community by management for the longer term periods.

Actual RSU Awards

RSUs Based on 2006-2008 Performance Criteria

The Compensation Committee determines final RSU payouts at the first Committee meeting at the beginning of the next fiscal year after the applicable performance period based on performance results for the covered period. The 2006-2008 performance criteria of diluted earnings per share from continuing operations and cash flow from operating activities were achieved during the applicable years, and as a result all of our named executive officers except for Mr. Butler received their full RSU payout for the 2006-2008 performance period. With regard to Mr. Butler, while the performance targets were satisfied, the Committee determined it appropriate to reduce his RSU payout in light of the performance of the operating segments for which he was responsible from 16,000 RSUs to 8,000 RSUs. Actual RSU awards to the named executive officers for the 2006-2008 performance period were settled in January 2009, and due to their three-year, service-based vesting requirements, are reflected in the 2009 Summary Compensation Table and the 2009 Grants of Plan-Based Awards Table below.

RSUs Based on 2007-2009 Performance Criteria

Due to the extreme turbulence experienced across the world's economies during 2008 and 2009, our performance during those years was negatively impacted and the long-term incentive goal for the 2007-2009 RSU awards was not met. As a result, none of our named executive officers received any final RSU payout for the 2007-2009 performance period.

In accordance with the terms of his employment contract, however, Mr. Claro received a separate RSU payout in 2009. This RSU payout is also reflected in the 2009 Summary Compensation Table and the 2009 Grants of Plan-Based Awards Table below.

Stock Ownership Guidelines

In addition to the strong performance culture as well as holding periods for RSU grants, in 2007, we established stock ownership guidelines which apply to the named executive officers and certain other RSU plan participants, to encourage the retention of stock acquired through our RSU award program. These guidelines are based on a multiple of an individual's base salary and were benchmarked against the stock ownership guidelines of similar companies and were also based on the Board's determination of appropriate share ownership levels based on our compensation system. Under the guidelines, a participant is required to maintain certain share ownership levels of our common stock and is restricted from selling shares held by them until the restrictions have been

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met. The share ownership levels (based on fair market value as measured periodically) for each named executive officer are as follows:

Named Executive Officer	Multiple of Salary
S.D. Fazzolari	Five times salary
G.D.H. Butler	Three times salary
R.C. Neuffer	Three times salary
S.J. Schnoor	Three times salary
M.E. Kimmel	Three times salary
G.J. Claro	Three times salary

Individuals to whom the stock ownership guidelines apply have five years from the date they are first granted RSUs to comply with the guidelines in light of their recent establishment. All common stock held by the individual, whether acquired as a result of an RSU grant or otherwise, is included in determining whether a named executive officer has achieved the applicable ownership guideline. Stock options are not included in calculating whether the guidelines have been met. Failure to meet the guidelines within the applicable five-year period on the part of an individual could result in such individual being penalized by the Compensation Committee, whether through a reduction in future grants or otherwise.

Total Direct Compensation

The Compensation Committee believes the pay elements described above are consistent with our compensation philosophy of paying for performance, paying competitively and attracting and retaining key talent. Each pay element is designed to complement the other and reward the achievement of short-term and long-term objectives. In establishing total direct compensation, after review and consideration of market data, our Compensation Committee reviews each aspect of direct compensation (that is, salary, annual bonus and RSU awards) on both an individual component and a combined basis. The Compensation Committee intends that the total direct compensation combination will result in compensation at the market median.

Total direct compensation is further intended to be interrelated, such that the positive or negative performance in one area will directly or indirectly affect the performance of the other components. For example, the annual EVA incentive program is directly tied to the level of the individual's salary because the payment is based on a percentage of salary. Also, as discussed above, the percentage of salary that is received as an annual incentive bonus is a function of the level of achievement of the EVA target and the individual's target bonus percentage. The level of RSU grants is not a direct function of salary, as target grants are established by our Compensation Committee based on a number of other factors, including the individual's ability to impact long-term results, his or her performance history and his or her level of salary.

During the review of compensation for 2009, which was completed in 2008, and in connection with the preparation of this report, our Compensation Committee did review and take into consideration all aspects of compensation which might be paid to an executive, whenever earned in his or her career.

The following table summarizes the direct compensation elements awarded to the named executive officers for the 2009 calendar year. Our performance during 2009 impacted our payouts under both the annual incentive plan and with regard to RSUs. The payouts under the annual incentive plan and with regard to RSUs are further analyzed on pages 34-38 of this Proxy Statement, including with regard to the details of our EVA performance for 2009 shown on pages 35-37 of this Proxy Statement. The RSU award numbers shown below differ from the

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numbers shown in the 2009 Summary Compensation Table, as the numbers below reflect the RSU grant that would have been made in January 2010 based on the 2007 – 2009 performance period. As further detailed on page 38 of this Proxy Statement, none of our named executive officers received any final RSU payout for the 2007 – 2009 performance period, except that Mr. Claro received a separate RSU payout in accordance with the terms of his employment offer letter.

Name	Salary	Annual Incentive Compensation or other Bonuses	RSU Awards	Total Direct Compensation
S.D. Fazzolari	890,000	-0-	-0-	890,000
G.D.H. Butler	649,919	-0-	-0-	649,919
R.C. Neuffer	414,000	520,812	-0-	934,812
S.J. Schnoor	400,000	-0-	-0-	400,000
M.E. Kimmel	383,000	-0-	-0-	383,000
G.J. Claro	357,885	490,000	239,250	1,087,135

The conversion rate used for amounts included above with respect to Mr. Butler was £1.00 = \$1.65.

As noted above, our performance during 2009 has impacted our payouts under the annual incentive plan and with regard to RSUs.

Proposed Changes to Compensation Plans*Long-Term Incentive Program*

During 2009, the Committee continued its ongoing review of the Company's long term incentive program as it relates to RSUs. The goal of the review was to bring the program more in line with market practices both from a participation standpoint and from a compensation standpoint. After several meetings throughout the year to review the Company's program as well as other market plans, the Committee, with agreement from the Board, approved the following changes to the long term incentive plan, effective for the 2010-2012 performance cycle:

Awards will be based on a market-determined percentages of salary versus a predetermined number of shares;

Awards will be based on country specific market data;

One-half of an award will be performance-based, with the applicable target continuing to be the Company's EVA improvement in total for the period and the other half of the award will be time-based;

Vesting will occur immediately upon satisfaction of the performance targets;

The time-based award will be paid out in shares of Company common stock while the performance portion of the award will be paid in stock unless the individual satisfies their stock ownership requirements, in which case the payment will be in cash;

Stock ownership requirements have been updated and revised so that no shares may be sold by participants until their applicable holding requirements are satisfied. The Committee has implemented a hardship exception that it will administer.

These changes will be effective starting with the 2010-2012 performance cycle.

At its February 2010 meeting the Compensation Committee recommended, and the Board subsequently approved, a new long-term equity incentive award for our global leadership team, including the named executive officers, covering the two-year period ending December 31, 2011.

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The award is performance-based and payout will only occur if the EVA targets for that two-year period is achieved by us. The EVA performance targets were established by Stern Stewart & Co.

The Compensation Committee and the Board granted this award because of their concerns with regard to retention of key executives and senior level employees who will not likely receive long-term incentive payouts for a period of at least three years (in other words, no payout would conceivably be received until 2013), as a result of the significant negative impact our 2009 results will have on the achievement of current and future EVA targets relating to applicable three-year performance periods, which targets are 100% performance based with no time-based award component. The Board felt that without the new two-year program, we would be at a competitive employment disadvantage as compared with companies that base all or a portion of their long-term incentive awards on individual merit or on time-based vesting.

The Compensation Committee and the Board also took into account our low share utilization burn rate (.22% average for the three years ending December 31, 2008) and stock overhang (4.28% average for the three year period ending December 31, 2008) for our equity compensation plans when considering the new equity incentive award, and determined that it was very conservative.

Annual Incentive Program

The Committee also made several changes to the annual incentive program in order for the plan to better reflect several of the Company's principal goals. The first change is that all participants will have at least 20% of their annual bonus based on the Company's overall EVA performance. This is in furtherance of the Company's One Harsco philosophy and of our globally integrated organization goals. The second change is that no individual will be entitled to an annual EVA bonus if he or she did not achieve at least a "Meets Objectives" rating on their individual performance appraisal. This is to promote a culture of discipline as well as to pay for performance, including individual performance. In the past, since the annual incentive program is based on EVA goals that may apply at some level of the organization and not at the individual level, it was possible for a participant to receive a bonus payout while having unsatisfactory individual performance. The Committee believes that this is no longer acceptable. These changes will be effective starting with the 2010 performance period.

Indirect Compensation Elements

We have in place the following broad-based employee benefit plans in which the U.S. executive officers participate on the same terms as U.S. non-executive employees:

health insurance;

disability insurance;

a term life insurance benefit equal to two times the individual's salary up to a maximum benefit of \$500,000;

a defined benefit pension plan; and

a 401(k) Savings Plan.

Many of the above benefits are now offered on the same basis to all similarly situated employees (for example, to all U.S. employees). The relative amount of life insurance and disability insurance offered to a named executive officer is a function of the individual's salary, as is the amount contributed to the individual's 401(k) account, although that is also a function of the percentage of salary that the individual chooses to contribute to the plan and Internal Revenue

Service maximum contribution limitations. In addition, the executive officers, other than Mr. Butler, are eligible to participate in the Supplemental Retirement Benefit Plan (which we refer to as the SERP) as described under the section Retirement Plans below, which supplements the qualified

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pension plan, and in the non-qualified Retirement Savings and Investment Plan (referred to as the RSIP), which supplements our 401(k) Savings Plan with respect to contributions that could not be made because of Internal Revenue Service compensation and contribution limitations.

We also provide other benefits to certain executives including a change in control severance policy described below. Certain named executive officers, namely Messrs. Butler, Fazzolari and Neuffer, are entitled to cars provided by us or a cash allowance alternative, and the Board of Directors has approved a policy regarding the CEO's personal use of our aircraft. Corporate aircraft are used primarily for business travel and the Board policy includes a limitation on annual personal use unless the additional use is approved by the Lead Director of the Board. The CEO is taxed on the imputed income attributable to personal aircraft use and does not receive tax assistance from us with respect to those amounts. For more information on the perquisites provided and to whom they apply, see the All Other Compensation Table which serves as a supplement to the 2009 Summary Compensation Table.

Our philosophy is to position the aggregate of these elements of compensation at a level that is competitive with our size and performance relative to other leading peer companies, as well as a larger group of general industry companies. We further believe that these other aspects of the executive compensation program are reasonable, competitive and consistent with the overall executive compensation program in that they help us attract and retain the best leaders.

Potential Payments upon Change in Control and Other Potential Post-Employment Payments

Change in Control Severance Agreements

On June 21, 2005, the Board of Directors authorized us to amend employment agreements then in place with Messrs. Fazzolari and Butler and one other officer who has since retired, and to enter into similar forms of agreement with certain of our corporate officers, including Messrs. Kimmel and Schnoor (together with Messrs. Fazzolari and Butler, referred to as the Change in Control Officers), which provide that in the event of a change in control, each such officer will remain in our employ for a period of three years from the date of the change in control (or to such officer's normal retirement date, if earlier), subject to the Change in Control Officers' right to resign during a thirty-day period commencing one year from the date of the change in control or for good reason. As a result of its reviews and analyses, the Compensation Committee also approved reductions in certain features of our change in control arrangements due to the fact that prior payment levels were no longer consistent with our philosophy regarding severance payments in general, which looks inward and to our overall employee severance arrangements rather than outward and toward a review of peer company policies. The Compensation Committee, following such review, determined that the remaining payment and benefit levels provided for under the change in control and other termination arrangements were consistent with our general severance philosophy. The change in control agreements were further amended in 2008 to ensure their compliance with Internal Revenue Code Section 409A. For more information, see Termination or Change in Control Arrangements and the corresponding tables below.

The Compensation Committee believes that the change in control agreements serve the following purposes:

assuring that we have the continued dedication and full attention of certain key employees prior to and after the consummation of a change in control event;

ensuring that, if a possible change in control should arise and a Change in Control Officer should be involved in deliberations or negotiations in connection with the possible change in control, such officer would be in a position to consider as objectively as possible whether the

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possible change in control transaction is in our best interests and those of our stockholders, without concern for his position or financial well-being; and

protecting us by retaining key talent in the face of corporate changes.

The change in control arrangements are reviewed on a regular basis, but not necessarily as part of the annual compensation review. This is because we generally consider the change in control agreements as compensation elements separate and apart from the other elements of our compensation arrangements. More specifically, the payments or benefits available under the change in control agreements do not have any significant impact on the Compensation Committee's general compensation decisions relating to salary and incentive payments. Instead, the Compensation Committee considers that the change in control agreements are in place to cover a specific and unlikely circumstance, namely if we are acquired and the executives lose their jobs. In this way, payments and benefits available under the change in control agreements are not viewed by the Compensation Committee as amounts that should impact the compensation amounts awarded on a year-to-year basis to the named executive officers for their ongoing management of the Company.

Other Potential Post Employment Payments

Upon certain types of terminations of employment not related to a change in control, payments under various Company policies and plans may be paid to the named executive officers. These events and amounts are more fully explained in the Termination or Change in Control Arrangements section below.

Policy Regarding Tax Impact on Executive Compensation

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code generally limits to \$1 million the U.S. federal tax deductibility of compensation paid in one year by publicly-traded corporations to the chief executive officer and certain other executives named in the compensation table of the Proxy Statement. Performance-based compensation is not subject to the limits on deductibility of Section 162(m), provided such compensation meets certain requirements, including stockholder approval of material terms of compensation.

We intend, to the extent practicable, to preserve deductibility under the Internal Revenue Code of compensation paid to our executive officers while maintaining compensation programs that effectively attract and retain exceptional executives in a highly competitive environment and, accordingly, compensation paid under our incentive compensation plans is generally tax-deductible. However, on occasion it is not possible to satisfy all conditions of the Internal Revenue Code for deductibility and still meet our compensation needs, and in such limited situations, we may choose to pay compensation that would otherwise not be deductible under Section 162(m) if we believe that it is appropriate and in our best interest.

Personal Use of Corporate Aircraft

In connection with our allowing personal use of our corporate aircraft by certain of our named executive officers, a portion of our related expense is non-deductible under recent changes to U.S. federal income tax law. We treat such personal use as compensation, as reported in the All Other Compensation column of the 2009 Summary Compensation Table.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be

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included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and our Proxy Statement for our 2010 Annual Meeting of Stockholders, for filing with the SEC.

SUBMITTED BY THE MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS:

D. H. Pierce, Chairman
T. D. Growcock
J. I. Scheiner
R. C. Wilburn

The foregoing report shall not be deemed to be soliciting material or to be filed with the SEC or subject to Regulation 14A promulgated by the SEC or Section 18 of the Securities Exchange Act of 1934.

2009 Summary Compensation Table

The following table presents the compensation provided to our named executive officers for services rendered to us in 2007, 2008 and 2009.

Name and Principal Position	Year	Salary (\$)	Bonus \$(1)	Stock Awards \$(2)	Option Award (\$)	Non-Equity Incentive Plan Compensation \$(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings \$(4)	All Other Compensation (\$)	Total (\$)
Salvatore D. Fazzolari Chairman and Chief Executive Officer	2009	890,000	-0-	503,000	-0-	-0-	190,026	45,879	1,628,905
	2008	850,000	-0-	919,000	-0-	129,200	526,519	44,689	2,469,408
	2007	500,000	-0-	611,880	-0-	675,500	176,377	48,873	2,012,630
G. J. Schnoor Senior Vice President and Chief Financial Officer	2009	400,000	-0-	125,750	-0-	-0-	45,603	22,437	593,790
	2008	370,000	-0-	183,800	-0-	36,556	91,041	19,613	701,010
	2007	255,000	-0-	133,849	-0-	196,860	21,587	23,920	631,216
G. D. H. Butler President and Group CEO(5)	2009	646,919	-0-	201,200	-0-	-0-	1,584,216	59,426	2,491,761
	2008	646,919	-0-	735,200	-0-	-0-	-0-	87,556	1,469,675
	2007	705,800	-0-	611,880	-0-	659,358	296,898	93,258	2,367,194
R. C. Neuffer Senior Vice President and Group CEO(6)	2009	414,000	-0-	176,050	-0-	520,812	34,559	27,427	1,172,848
	2008	400,000	-0-	321,650	-0-	512,000	129,120	33,366	1,396,136
	2007	275,000	-0-	191,213	-0-	253,000	47,593	35,350	802,156
G. J. Claro Group CEO(7)	2009	357,885	490,000	478,500	-0-	-0-	-0-	7,372	1,333,757
M. E. Kimmel Senior Vice	2009	383,000	-0-	251,500	-0-	-0-	5,713	22,437	662,650
	2008	370,000	-0-	459,500	-0-	36,556	13,875	18,280	898,211

President, Chief Administrative Officer, General Counsel and Corporate Secretary	2007	275,501	-0-	382,425	-0-	265,858	6,714	23,920	954,418
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- (1) The amount shown in this column for Mr. Claro represents (i) the guaranteed target level payout under the annual incentive plan pursuant to the terms of Mr. Claro's employment offer letter with us and (ii) a signing bonus paid pursuant to the terms of Mr. Claro's employment offer letter.
- (2) The amounts shown in this column represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 (formerly FAS 123(R)) for the restricted stock units granted during the indicated fiscal year (amounts for 2008 and 2007 have been recomputed). All grants of restricted stock units were made under the 1995 Incentive Plan. See Note 12, "Stock-Based Compensation," to Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2009 for a discussion of the assumptions used by us to calculate share-based employee compensation expense, as outlined in FASB ASC Topic 718. These awards are discussed in further detail under the heading "Equity Compensation" in the Compensation Discussion and Analysis.

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The full grant date fair value of the RSU awards for the 2006-2008 performance period was \$2,681,619, which was determined using the average of the high and low price of the stock on that day's trading, less a discount for dividends not received during the performance period. This amount does not include the grant to Mr. Claro in 2009, which was provided pursuant to the terms of his employment offer letter (rather than with reference to the applicable performance period) and has a full grant date fair value of \$478,500. The above information does not reflect an estimate for forfeitures, and none of these awards has been forfeited as of March 2, 2010.

Harsco does not have any RSU awards which are classified as liability awards under FASB ASC Topic 718.

- (3) The amounts shown in this column for 2009 constitute the annual cash incentive compensation paid to each officer under the 1995 Incentive Plan based on the achievement of specific EVA goals.
- (4) All amounts shown represent changes in pension values. There were no above-market or preferential earnings on deferred compensation during fiscal year 2009. The conversion rates used for the amounts included in this column for Mr. Butler were £1.00 = \$1.59.
- (5) Mr. Butler was appointed to the position of President effective January 1, 2008. Mr. Butler also serves as Chief Executive Officer of the Harsco Infrastructure Segment. Mr. Butler served as CEO of the Harsco Metals Segment between January 1, 2008 and June 1, 2009. Prior to that date, Mr. Butler served as Senior Vice President-Operations and President of the MultiServ and SGB Group Divisions. Mr. Butler's salary and bonus are determined and paid in British pounds and are designated in the table in U.S. dollars. The conversion rates used for the amounts included in the 2009 Summary Compensation Table other than the Pension Values were £1.00 = \$1.65 for 2009 and 2008 and £1.00 = \$2.00 for 2007.
- (6) Mr. Neuffer has served as Harsco Senior Vice President since January 1, 2008 and as CEO for our Harsco Rail Segment and Harsco Industrial Group since January 1, 2009. Mr. Neuffer also served as CEO of our Minerals Group between January 1, 2009 and September 1, 2009.
- (7) Mr. Claro was appointed to the position of Group CEO, Harsco Metals and Harsco Minerals Groups, effective September 1, 2009. Mr. Claro has served as CEO of the Company's Metals Group since June 1, 2009.

All Other Compensation

We also provide certain perquisites and other payments or benefits to the named executive officers. The following table summarizes the incremental cost of perquisites and other benefits for the named executive officers in 2009 and describes the other benefits included in the "All Other Compensation" column for 2009.

		Mr. Fazzolari	Mr. Schnoor	Mr. Butler(a)	Mr. Neuffer	Mr. Claro	Mr. Kimmel
Personal use of corporate aircraft(b)	2009	\$ 12,594	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Personal use of automobile	2009	10,848	-0-	34,338(c)	17,302	-0-	-0-
Other travel and related expenses(d)	2009	-0-	-0-	-0-	-0-	-0-	-0-
	2009	9,800	9,800	-0-	1,889	-0-	9,800

Our contributions to defined contribution plans							
Dollar value of life insurance premiums paid by us or on our behalf	2009	1,386	1,386	11,171	1,386	809	1,386
Dollar value of health insurance premiums paid by us or on our behalf	2009	10,995	10,995	1,526	6,594	6,414	10,995
Dollar value of long-term disability premiums paid by us or on our behalf	2009	256	256	12,391	256	149	256
Total	2009	\$ 45,879	\$ 22,437	\$ 59,426	\$ 27,427	\$ 7,372	\$ 22,437

(a) The conversion rate used for the amounts included in this table for Mr. Butler for 2009 was £1.00 = \$1.65.

(b) The value of personal use of corporate aircraft reflects the calculated incremental cost to us of personal use of corporate aircraft. Incremental costs have been calculated based on the variable operating costs to us. Variable costs consist of trip-specific costs including fuel, catering, mileage, maintenance, labor and parts,

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engine reserve, crew expenses, universal weather monitoring, landing/ramp fees and other miscellaneous variable costs. Incremental cost calculations do not include fixed costs associated with owning our aircraft since we would incur these costs anyway. On certain occasions, an executive's spouse or other family member may accompany the executive on a flight.

- (c) Includes an annual fuel allowance of \$4,691.
- (d) We occasionally invite named executive officers' spouses to accompany the officers to Board-related events for appropriate business purposes, for which we pay or reimburse travel and related expenses. These amounts are included in the Other travel and related expenses row to the extent they do not include travel on the corporate aircraft, which is discussed in footnote (b) above.

2009 Grants of Plan-Based Awards Table

The following table sets forth information concerning plan-based awards to the named executive officers during 2009:

Name	Grant Date	Threshold (\$)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)		Awards: Number of Shares of Stock or Units (2)(3) Target (#)	Grant Date Fair Value of Stock and Option Awards (\$)(4)
			Target (\$)	Maximum (\$)		
S. D. Fazzolari	01-27-09	8,900	890,000	1,780,000	20,000	503,000
S. J. Schnoor	01-27-09	2,400	240,000	480,000	5,000	125,750
G. D. H. Butler(5)	01-27-09	4,399	439,905	879,810	8,000	201,200
R. C. Neuffer	01-27-09	2,815	281,520	563,040	7,000	176,050
M. E. Kimmel	01-27-09	2,145	214,480	428,960	10,000	251,500
G. J. Claro	11-19-09	3,900	390,000	780,000	15,000	478,500

- (1) These columns reflect potential awards under our annual incentive compensation program, made under our 1995 Incentive Plan and described more fully on page 34 of this Proxy Statement. Actual payouts for 2009 are disclosed in the Non-Equity Incentive Plan Compensation column of the 2009 Summary Compensation Table.
- (2) This column reflects awards for (i) the 2006-2008 performance period under our restricted stock unit program, granted under our 1995 Incentive Plan and described more fully on page 37 of this Proxy Statement and (ii) in the case of Mr. Claro, his grant in 2009 that was provided pursuant to the terms of his employment offer letter.
- (3) Our Compensation Committee has complete discretion on whether to settle and the amount of any settlement of restricted stock units that may be made annually to any officer, including the discretion to reduce the share

payout to zero.

- (4) The grant date fair value of the restricted stock unit awards for the 2006-2008 performance period, computed in accordance with FASB ASC Topic 718, was \$25.15 per unit, which was determined using the average of the high and low price of the stock on the previous day's trading, less a discount for dividends not received during the vesting period. Mr. Claro's grant was made on November 19, 2009 and is based on a grant date fair value of \$31.90 per unit, computed in accordance with FASB ASC Topic 718, determined using the average of the high and low price of the stock on the previous day's trading, less a discount for dividends not received during the vesting period.
- (5) Dollar amounts shown are based on an exchange rate of \$1.65 = £1.00.

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Annual Incentive Compensation Plan; Long-Term Compensation Plan

For additional details of our Annual Incentive Compensation Plan and Long-Term Compensation Plan payments, please see the descriptions set forth on pages 34 and 37 of this Proxy Statement. For additional details about the relationship of salary, bonus and long-term compensation to total compensation, please see the Compensation Discussion and Analysis section of this Proxy Statement.

Outstanding Equity Awards at 2009 Fiscal Year-End

The following table sets forth information concerning the outstanding equity awards of the named executive officers as of December 31, 2009.

Name	Option Awards(1)					Stock Awards(2)			Equity Incentive Plan Awards: Market or Payout Value of Unearned
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Exercised Options (#)	Number of Securities Underlying Unexercised Options (#) Unexercisable	Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(3)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(4)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#)(5)	Shares, Units or Other Rights That Have Not Vested (\$)(4)
S. D. Fazzolari	40,000	-0-	-0-	14.50	01-23-10				
	48,000	-0-	-0-	16.325	01-20-12	18,667	601,637	20,000	644,600
S. J. Schnoor						3,833	123,538	5,000	161,150
G. D. H. Butler	20,000	-0-	-0-	12.8150	01-21-11				
	48,000	-0-	-0-	16.3250	01-20-12	16,000	515,680	8,000	257,840
R. C. Neuffer	8,000	-0-	-0-	12.815	01-21-11				
	6,000	-0-	-0-	16.325	01-20-12	6,333	204,113	7,000	225,610
M. E. Kimmel	4,000	-0-	-0-	16.325	01-20-12	10,000	322,300	10,000	322,300

G. J. Claro

-0-

-0-

15,000

483,450

- (1) The Board of Directors has not issued any stock options since 2002 and instead issues restricted stock or restricted stock units as our long-term compensation method. For grants prior to 2003, the named executive officers were awarded stock options with an exercise price equal to the fair market value of our common stock on the date of grant. Fair market value was defined as the average of the high and low price of the stock on the date of grant. The grants were made pursuant to the 1995 Incentive Plan. The number of options granted to each officer was determined by grade level and our Compensation Committee's evaluation of the strategic performance of the individual and the individual's business unit. The maximum stock option award as provided in the 1995 Incentive Plan is 150,000 shares for any single participant in a calendar year. Our Committee does have the discretion to limit or entirely eliminate the number of stock options granted in any period, and, acting upon this authority, declined to award any stock options in calendar years 2003 through 2009.
- (2) Our Compensation Committee awarded restricted stock units to each of the named executive officers for the three-year performance periods beginning in each of 2001, 2002, 2003, 2004, 2005 and 2006 under the 1995 Incentive Plan. No shares were issued in settlement of the 2007-2009 performance period to any named executive officer other than Mr. Claro, which payout was made in accordance with the terms of his employment offer letter. A target award level is established by our Compensation Committee and if the performance goal is obtained, then the restricted stock units are settled unless our Compensation

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Committee exercises its discretion to lower the amount of the payout. The restricted stock units vest as provided in footnote 3 on page 21 of this Proxy Statement and the restricted stock unit program is more fully described on page 37 of this Proxy Statement.

- (3) The numbers shown in this column reflect all unvested restricted stock units that were earned under our long-term incentive restricted stock unit program. A portion of these awards vest in years 2010, 2011 and 2012.
- (4) The market value was computed by multiplying the closing market price of our stock on December 31, 2009 by the number of restricted stock units in the previous column.
- (5) The numbers shown in this column reflect all unvested restricted stock units for which performance targets have been set by us but that were unearned in fiscal year 2009 under our long-term incentive restricted stock unit program.

2009 Option Exercises and Stock Vested

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting \$(1)
S. D. Fazzolari	24,000	648,480	22,000	576,560
S. J. Schnoor	-0-	-0-	5,200	136,296
G. D. H. Butler	20,000	641,822	20,667	541,686
R. C. Neuffer	4,800	162,537	9,000	235,895
M. E. Kimmel	-0-	-0-	9,367	245,437
G. J. Claro	-0-	-0-	-0-	-0-

- (1) One hundred percent of the RSUs granted in 2006 vested on January 24, 2009, one-third of the RSUs granted in 2007 vested on January 23, 2009 and one-third of the RSUs granted in 2008 vested on January 22, 2009. The fair market value of the 2006 grant was \$26.23 per share on the vesting date, based on the average of the high and low sales price of our common stock on January 23, 2009. The fair market value of the portion of the 2007 grant that vested in 2009 was \$26.23 per share on the vesting date, based on the average of the high and low sales price of our common stock on January 23, 2009. The fair market value of the portion of the 2008 grant that vested in 2009 was \$26.16 per share on the vesting date, based on the average of the high and low sales price of our common stock on January 22, 2009.

Table of Contents**2009 Pension Benefits Table**

The following table describes pension benefits provided to the named executive officers.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)(1)	Payments During Last Fiscal Year (\$)
S. D. Fazzolari	Harsco Employees Pension Plan	23.333	563,204	-0-
	Supplemental Retirement Benefit Plan	23.333	1,644,696	-0-
S. J. Schnoor	Harsco Employees Pension Plan	15.750	288,229	-0-
	Supplemental Retirement Benefit Plan	15.750	203,752	-0-
G. D. H. Butler	Harsco Pension Scheme	38.000	8,527,997	-0-
R. C. Neuffer	Harsco Employees Pension Plan	12.250	374,589	-0-
	Supplemental Retirement Benefit Plan	12.250	342,386	-0-
M. E. Kimmel	Harsco Employees Pension Plan	2.417	33,063	-0-
	Supplemental Retirement Benefit Plan	2.417	22,695	-0-
G. J. Claro	Harsco Employees Pension Plan	-0-	-0-	-0-
	Supplemental Retirement Benefit Plan	-0-	-0-	-0-

(1) The disclosed amounts are estimates only and do not necessarily reflect the actual amounts that will be paid to the named executive officers, which will only be known at the time that they become eligible for payment.

(2) The conversion rate used for the amounts included in this row was £1.00 = \$1.59, which was the currency exchange rate on the plan measurement date of December 31, 2009.

Retirement Plans

All of the named executive officers, with the exception of Mr. Butler and Mr. Claro, are covered under the Harsco Employees Pension Plan (referred to as the HEPP) and the Supplemental Retirement Benefit Plan (referred to as the Supplemental Plan). As described below, pension benefits were frozen effective December 31, 2008 under the HEPP and Supplemental Plan. Mr. Claro and all other U.S.-based officers are now covered by the Retirement Savings and Investment Plan established January 1, 2004 and as described in the narrative disclosure to the 2009 Nonqualified Deferred Compensation Table. Mr. Butler is covered by the U.K. pension plan described below. Prior to January 1, 2003, the Supplemental Plan replaced the 401(k) Company match lost due to government limitations on such contributions. The replacement was in the form of phantom shares as more fully described in the narrative disclosure to the 2009 Nonqualified Deferred Compensation Table. The Supplemental Plan was amended effective January 1, 2003 to eliminate any further granting of phantom shares.

The HEPP and the Supplemental Plan are defined benefit plans providing for normal retirement at age 65. Early retirement may be taken commencing with the first day of any month following the attainment of age 55, provided at least 15 years of service have been completed. Early retirement benefits commencing prior to age 65 are reduced. The Plans also provide for unreduced pension benefits if retirement occurs after age 62, provided at least 30 years of service have been

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completed. The HEPP and the Supplemental Plan also provide for a pre-retirement death benefit payable to a beneficiary designated by the participant for participants who die after qualifying for benefits. The Supplemental Plan also includes provisions which fully vest participants upon termination of employment following a change in control of the Company, as defined in the Supplemental Plan.

Total pension benefits are based on final average compensation and years of service. The normal retirement benefit under the Supplemental Plan is equal to a total of 0.8% of final average compensation up to the Social Security Covered Compensation multiplied by years of service up to a maximum of 33 years as defined in the Supplemental Plan plus 1.6% of the final average compensation in excess of the Social Security Covered Compensation multiplied by up to 33 years of service, reduced by the benefits under the HEPP. Final average compensation is defined as the aggregate compensation (base salary plus nondiscretionary incentive compensation) for the 60 highest consecutive months out of the last 120 months prior to the date of retirement or termination of employment.

The Supplemental Plan was amended in 2002 to provide that for any retirements on or after January 1, 2003, the 1.6% factor in the benefit formula is reduced to 1.5% and the definition of final average compensation was amended to reduce the amount of nondiscretionary incentive compensation included in the benefit calculation from 100% to 50% for such amounts paid on or after January 1, 2003. Notwithstanding these amendments, no participant's retirement benefit shall be reduced by reason of these amendments, below the benefit accrued at December 31, 2002.

The normal retirement benefit under the HEPP is equal to 1.2% times final average compensation times years of service, up to a maximum of 33 years (the initial product), plus 1.5% times the initial product times benefit service in excess of 33 years, but not in excess of 40 years of service. This amount cannot be less than the minimum benefit determined at December 31, 2002, which was determined based on a normal retirement benefit under the HEPP equal to 1.3% times final average compensation (the final product) times the final product times years of service, up to a maximum of 33 years, plus 1.5% times benefit service in excess of 33 years, but not in excess of 40 years of service. Final average compensation is defined as the aggregate compensation (base salary plus non-discretionary incentive compensation) for the 60 highest consecutive months out of the last 120 months prior to the date of retirement or termination of employment. Effective January 1, 2003, the HEPP was amended to reduce the amount of nondiscretionary incentive compensation included in the benefit calculation from 100% to 50% for such amounts paid on or after that date.

The Supplemental Plan and the HEPP were amended on December 31, 2003 to provide that pension benefit accrual service would not be granted to any of our salaried employees after December 31, 2003, provided, however, that compensation earned for services performed for us for current Supplemental Plan and HEPP participants through December 31, 2013 shall be included in determining their Final Average Compensation under the Supplemental Plan and the HEPP.

The Supplemental Plan and the HEPP were further amended effective December 31, 2008 to provide that compensation earned after December 31, 2008 would not be included in determining Final Average Compensation. As a result of this action and the December 31, 2003 freeze on pension benefit accrual service, Supplemental Plan and HEPP accrued pension benefits were frozen as of December 31, 2008. In conjunction with this change and effective January 1, 2009 for covered employees, the plans were amended to include a full lump sum form of payment.

We do not provide retiree medical or retiree life insurance benefits to our executive officers.

The above table shows the present value of accumulated pension benefits payable to Mr. Butler, for life, under the HarSCO Pension Scheme (which we refer to as the Scheme), a

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qualified pension plan in the U.K., upon retirement at age 60, which is normal retirement age under the Scheme, assuming the total pension benefit was payable and retirement took place on December 31, 2009. The benefit would be paid in British pounds and all amounts in the table above are stated in U.S. dollars at a conversion rate of \$1.59 = £1.00, which was the currency exchange rate on the plan measurement date of December 31. The Scheme provides that if the participant dies within five years after starting to receive a pension, a lump sum will be paid equal to the pension payments that would have been made during the remainder of the five year period. The annual pension benefit is based on the highest annual total of salary and bonus within the last five years (or the highest average amount of annual salary plus bonus received in any three consecutive scheme years within the last ten years, if higher) (which we refer to as the Final Pensionable Salary) and the years of service, subject to various deductions for service prior to April 6, 1989, and a statutory limitation of two-thirds of the Final Pensionable Salary. The Scheme was amended in 2002 to provide that for any retirements on or after January 1, 2003, the benefit accrual rate is reduced, and the definition of Final Pensionable Salary is amended to reduce the amount of incentive bonus included in the calculation from 100% to 50% for such amounts paid on or after January 1, 2003. The Scheme was amended in 2003 to provide that, in respect of service after January 1, 2004 only, normal retirement age is increased to 65, and the definition of Final Pensionable Salary is amended so as to be equal to the average salary and 50% of bonus over the last five scheme years prior to retirement.

Table of Contents**2009 Nonqualified Deferred Compensation Table**

The following table describes the nonqualified deferred compensation of the named executive officers.

Name	Plan Name	Executive	Registrant	Aggregate	Aggregate	Aggregate
		Contributions	Contributions	Earnings	Withdrawals/	Balance
		in Last FY	in Last FY	in Last	Distributions	at Last FYE
		(\$)	(\$)(1)	FY	(\$)	(\$)(2)
S. D. Fazzolari	Supplemental Retirement Benefit Plan	-0-	3,129	-0-	-0-	112,295
	Non-Qualified Restoration Plan	-0-	32,276	-0-	-0-	195,594
S. J. Schnoor	Supplemental Retirement Benefit Plan	-0-	705	-0-	-0-	25,300
	Non-Qualified Restoration Plan	-0-	8,231	-0-	-0-	55,327
G. D. H. Butler(3)	Supplemental Retirement Benefit Plan	-0-	-0-	-0-	-0-	-0-
	Non-Qualified Restoration Plan	-0-	-0-	-0-	-0-	-0-
R. C. Neuffer	Supplemental Retirement Benefit Plan	-0-	-0-	-0-	-0-	-0-
	Non-Qualified Restoration Plan	-0-	27,855	-0-	-0-	92,156
M. E. Kimmel	Supplemental Retirement Benefit Plan	-0-	-0-	-0-	-0-	-0-
	Non-Qualified Restoration Plan	-0-	7,552	-0-	-0-	45,954
G. J. Claro(4)	Supplemental Retirement Benefit Plan	-0-	-0-	-0-	-0-	-0-
	Non-Qualified Restoration Plan	-0-	-0-	-0-	-0-	-0-

(1) Ongoing contributions by us to the phantom share accounts of the named executive officers established under the Supplemental Plan ceased on December 31, 2002. As a result, this column reflects (A) dividend reinvestment contributions by us during fiscal year 2009 to the phantom share accounts of each executive officer established under the Supplemental Plan and (B) phantom contributions by us to the non-qualified restoration plan accounts of each named executive officer during fiscal year 2009. None of the amounts reported in this column are

reported as compensation for 2009 in the 2009 Summary Compensation Table.

- (2) Numbers shown with respect to phantom stock awards are based on a closing stock price on December 31, 2009 of \$32.23 per share (payout for phantom shares would be based on the price of our stock on the date of termination of the relevant officer). Earnings would have included any increase in value of the phantom shares during 2009. None of the amounts reported in this column were reported as compensation in prior Summary Compensation Tables.
- (3) Mr. Butler is not a participant in any of our U.K.- or U.S.-based nonqualified deferred compensation plans.
- (4) Mr. Claro is not a participant in any of our U.K.- or U.S.-based nonqualified deferred compensation plans.

Table of Contents**Nonqualified Deferred Compensation***Phantom Shares*

We maintain the Harsco Corporation Savings Plan (which we refer to as the HCSP), which includes the Salary Reduction feature afforded by Section 401(k) of the Internal Revenue Code. Our officers participated in the above plan until December 31, 2002. Prior to January 1, 2003, we made matching contributions under the HCSP for the account of each participating employee equal to 50% of the first 1% to 6% of such employee's Salary Reduction contribution. In addition, prior to January 1, 2003, the Supplemental Plan replaced the 401(k) match lost due to government limitations on such contributions. The replacement was in the form of phantom shares to a non-qualified plan. Our officers participated in the Supplemental Plan until December 31, 2002. The HCSP and the Supplemental Plan were amended effective January 1, 2003 to eliminate any future replacement of lost Company match and any further granting of phantom shares. As a result, no Company matches were made during calendar year 2003 and no phantom shares were granted for calendar year 2003.

Retirement Savings and Investment Plan

A new, non-qualified restoration plan (which we refer to as the NQ RSIP) was established on January 1, 2004, as part of our new 401(k) savings plan, the Retirement Savings and Investment Plan (which we refer to as the RSIP). The plans were implemented, among other reasons, to provide coverage for individuals affected by the amendments to the HCSP and the Supplemental Plan, including by establishing new 401(k) matching and company discretionary contributions to be made by us. Under the RSIP, we make matching contributions for the account of each participating employee equal to 100% of the first 3% of such employee's contributions and 50% of the next 2% contributed by such employee. In addition, the RSIP provides for a discretionary contribution of 2% of allowable earnings as decided by the Company each year to the account of each eligible employee who is an active employee as of December 31 of each plan year. The NQ RSIP provides for the discretionary and matching contributions that would be otherwise provided under the qualified portion of the RSIP for salaried employees' contributions made as of January 1, 2004, but for Internal Revenue Code limitations under Section 402(g), Section 401(a)(17), Section 415 or Section 401(m). Pursuant to the NQ RSIP, we make phantom contributions to an employee's (including the executive officers other than Mr. Butler's) account in an amount equal to the above-described Company matching and discretionary contributions under the RSIP, which we were not otherwise able to make for a participant as a result of that participant reaching the limitations imposed by the Internal Revenue Code.

Termination or Change in Control Arrangements

We have entered into certain agreements with the named executive officers (other than Messrs. Neuffer and Claro, who have not entered into any such agreements) and maintain certain plans that will require us to provide compensation to certain of our named executive officers in the event of a termination of employment, including as the result of a change in control.

Set forth below are tables, one for each named executive officer, showing our payment obligations following the termination of the officer's employment with us, including as the result of a change in control. The amounts disclosed below in each table are estimates only and do not necessarily reflect the actual amounts that would be paid to the officers, which would only be known at the time that they become eligible for payment and, in the case of payments related to a change in control, would only be payable if a change in control were to occur. The tables reflect the

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amounts that would be payable under the various arrangements assuming that the termination event occurred on December 31, 2009.

	Change in Control (2)	Termination as a Result of				Retirement (7)
		For Cause or Voluntary (4)	Involuntary not for Cause (5)	Death or Disability (6)		
Compensation:						
Unpaid base salary through date of termination	X(2)	X	X	X		X
Unpaid non-equity incentive plan compensation	X(2)		X	X		X
Unpaid long-term performance incentives Restricted Stock Units						
Vested	X(2)	X	X	X		X
Acceleration of Unvested Stock Options	X			X		X(8)
Vested	X	X	X	X		X
Unvested and Accelerated(1)	X			X		X
Unpaid Deferred Compensation Multiple of Base Salary	X(2) X(2)(3)	X	X	X		X
Benefits and Perquisites:						
Defined benefit pension plan	X	X	X	X		X
401(k) savings plan	X	X	X	X		X
Supplemental retirement benefit plan	X	X	X	X		X
Life insurance proceeds				X		
Accrued but unpaid vacation	X(7)	X	X	X		X

- (1) The Board of Directors ceased granting stock options after 2002 following a review of the appropriateness of the use of stock options as the vehicle for long-term compensation. As a result, all outstanding stock options are vested.
- (2) In accordance with the terms of the Change in Control Severance Agreements (which we refer to as the CIC Agreements) entered into by us and each named executive officer other than Messrs. Neuffer and Claro, Messrs. Butler, Fazzolari, Kimmel and Schnoor will be entitled to these payments if the executive's employment is terminated by us other than for disability or death of the executive or without cause, or by the executive for good reason during the three-year period following the date on which a change of control occurs (which we refer to as the Protection Period).

If the employment of Messrs. Butler, Fazzolari, Kimmel or Schnoor is terminated during the Protection Period by reason of the executive's death or disability, the executive's CIC Agreement will terminate without further obligations under the applicable CIC Agreement to the executive's representatives, other than those obligations accrued or earned and vested (if applicable) by the executive as of the date of termination, including, (A) the executive's full base salary through the date of termination at the rate in effect on the date of termination or, if higher, at the highest rate in effect at any time from the 90-day period preceding the effective date of a change in control through the date of termination (which we refer to as the Highest Base Salary), (B) the product of the

annual bonus paid to the executive for the last full fiscal year and a fraction, the numerator of which is the number of days in the current fiscal year through the date of termination, and the denominator of which is 365 and (C) any compensation previously deferred by the executive (together with any accrued interest thereon) and not yet paid by us (the amounts specified in clauses (A), (B) and (C), the Accrued Obligations).

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The individual tables below for each named executive officer set forth the present value of lump sum payments for Accrued Obligations for each of the officers named in the tables based on 2009 salaries, assuming death occurs on December 31, 2009 and during the Protection Period. None of the amounts shown below are accrued as a result of death occurring during the Protection Period. Such amounts would have been paid to the named executive officers under existing plans and arrangements regardless of the CIC Agreements or the occurrence of a change in control.

The individual tables below for each named executive officer also set forth the present value of lump sum payments for Accrued Obligations for each of the officers named in the table based on 2009 salaries assuming disability occurs on December 31, 2009 and during the Protection Period. None of the amounts shown below are accrued as a result of disability occurring during the Protection Period. Such amounts would have been paid to the named executive officers under existing plans and arrangements regardless of the CIC Agreements or the occurrence of a change in control.

If the employment of Messrs. Butler, Fazzolari, Kimmel or Schnoor is terminated during the Protection Period for cause, the executive's CIC Agreement will terminate without further obligations under the CIC Agreement to the executive, other than the obligation to pay to the executive the Highest Base Salary through the date of termination plus the amount of any compensation previously deferred by the executive (together with accrued interest thereon). The individual tables for each named executive officer set forth the present value of such payments under the CIC Agreements for each of the officers based on 2009 salaries assuming the for cause termination occurs on December 31, 2009 and during the Protection Period. None of the amounts shown in the tables below or with regard to Mr. Neuffer or Mr. Claro are accrued as a result of the termination occurring during the Protection Period, except that the vesting of each officer's restricted stock units accelerates, in accordance with the terms of the restricted stock units agreements, upon the occurrence of a change in control. Other than payments relating to restricted stock units, such amounts would have been paid to the named executive officers under existing plans and arrangements regardless of the CIC Agreements or the occurrence of a change in control.

If Messrs. Butler, Fazzolari, Kimmel or Schnoor terminate their employment during the Protection Period other than for good reason, the executive's CIC Agreements will terminate without further obligations under the CIC Agreement to the executive, other than those obligations accrued or earned and vested (if applicable) by the executive through the date of termination, including the executive's base salary through the date of termination at the rate in effect on the date of termination plus the amount of any compensation previously deferred by the executive (together with accrued interest thereon). The individual tables for each named executive officer set forth the present value of such payments under the CIC Agreements for each of the officers named in the tables based on 2009 salaries assuming the other than for good reason termination occurs on December 31, 2009 and during the Protection Period. None of the amounts shown in the tables below or with regard to Mr. Neuffer or Mr. Claro are accrued as a result of the termination occurring during the Protection Period, except that the vesting of each officer's restricted stock units accelerates, in accordance with the terms of the restricted stock units agreements, upon the occurrence of a change in control. Other than payments relating to restricted stock units, such amounts would have been paid to the named executive officers under existing plans and arrangements regardless of the CIC Agreements or the occurrence of a change in control.

If, during the Protection Period, we terminate the employment of Messrs. Butler, Fazzolari, Kimmel or Schnoor other than for cause, disability or death, or such executive terminates his employment for good reason, we shall pay the executive in a lump sum the aggregate of the following amounts (A) the executive's full base salary and vacation pay accrued through the date of termination at the rate in effect on the date of termination plus pro-rated incentive compensation under our annual incentive compensation plan through the date of termination at the same percentage rate applicable to the calendar year immediately prior to the date of termination, plus all other amounts to which the executive is entitled under any of our compensation plans, programs, practices or policies in effect at

the time such payments are due; (B) the amount of any compensation previously deferred by the executive (together with accrued interest thereon); and (C) a lump sum severance payment in an amount equal to one times the executive's base salary, in the case of Mr. Kimmel and Mr. Schnoor, or three times the executive's base salary, in the case of Messrs. Butler and Fazzolari. The payment may be subject to reduction to avoid certain adverse

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tax consequences. The individual tables for each named executive officer set forth the present value of such payments for each of the officers based on 2009 salaries assuming termination occurs on December 31, 2009. Of the amounts shown below, only the following amounts, made up of each officer's multiple of base salary payment (except in the case of Mr. Neuffer and Mr. Claro) and payout for restricted stock units based on accelerated vesting of the same in accordance with the change in control provisions contained in each restricted stock units agreement, would directly result from the termination occurring during the Protection Period or the occurrence of a change in control: for Mr. Butler, \$2,712,997; Mr. Fazzolari, \$3,903,000; Mr. Neuffer, \$425,010; Mr. Kimmel, \$1,021,300; Mr. Claro, \$245,250; and Mr. Schnoor, \$681,000. All other amounts shown below would have been paid to the named executive officers under existing plans and arrangements regardless of the CIC Agreements or the occurrence of a change in control. The amounts shown for Mr. Butler for his multiple of base salary are stated at a conversion rate of \$1.65 = £1.00

- (3) The multiple is three times base salary in the case of Messrs. Butler and Fazzolari and one times base salary in the case of Mr. Kimmel and Mr. Schnoor.
- (4) The individual tables below for each named executive officer set forth the present value of the lump sum payments for each executive officer assuming (A) the executive officer was terminated for cause on December 31, 2009 and (B) that such termination took place either prior to a change in control or following the Protection Period (as defined above and as applicable to the named executive).
- (5) The individual tables below for each named executive officer set forth the present value of the lump sum payments for each executive officer assuming (A) the executive officer was terminated involuntarily without cause on December 31, 2009 and (B) that such termination took place either prior to a change in control or following the Protection Period (as defined above and as applicable to the named executive).
- (6) The individual tables below for each named executive officer set forth the present value of the lump sum payments for each executive officer assuming (A) the executive's death occurs on December 31, 2009 and (B) that such death took place either prior to a change in control or following the Protection Period (as defined above and as applicable to the named executive).

The tables below also set forth the present value of the lump sum payments for each executive officer assuming (A) the executive's disability occurs on December 31, 2009 and (B) that such disability took place either prior to a change in control or following the Protection Period (as defined above and as applicable to the named executive).

- (7) The individual tables below for each named executive officer set forth the present value of the lump sum payments for each executive officer assuming (A) the executive officer retires on December 31, 2009 and (B) that such retirement took place either prior to a change in control or following the Protection Period (as defined above and as applicable to the named executive). Since neither Messrs. Kimmel nor Schnoor were retirement-eligible on December 31, 2009, the numbers shown are the estimated present value of the retirement benefits that would be payable to each such individual at normal retirement age (in other words, age 65).
- (8) The provisions of each restricted stock units agreement provide that the restricted stock units immediately vest and become non-forfeitable upon the grantee's death, disability, a change in control (as defined in the 1995 Incentive Plan) or upon the grantee's retirement at the specified retirement age. On September 27, 2006, the Board approved amendments to our performance-based restricted stock unit program which included a reduction of the specified retirement age from age 65 to age 62. The revisions apply to grants made after September 27, 2006.

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The following table describes the potential compensation upon termination or a change in control for Salvatore D. Fazzolari, our Chairman and Chief Executive Officer.

	Termination as a Result of						
	Change in Control Voluntary (\$)	Change in Control Involuntary not for Cause (\$)	Involuntary		Death (\$)	Disability (\$)	Retirement (\$)
			For Cause or Voluntary (\$)(1)	not for Cause (\$)			
Executive Benefits and Payments Upon Termination Compensation							
Unpaid Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Non-Equity Incentive Plan Compensation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Long-Term Performance Incentives:							
Restricted Stock Units	1,233,000	1,233,000	-0-	-0-	1,233,000	1,233,000	-0-
Stock Options	1,472,640	1,472,640	1,472,640	1,472,640	1,472,640	1,472,640	1,472,640
Multiple of Base Salary	-0-	2,670,000	-0-	-0-	-0-	-0-	-0-
Nonqualified Deferred Compensation							
NQ RSIP and Unpaid Deferred Compensation	307,889	307,889	307,889	307,889	307,889	307,889	307,889
RSIP	1,035,982	1,035,982	1,035,982	1,035,982	1,035,982	1,035,982	1,035,982
Benefits and Perquisites							
Pension	2,461,372	2,461,372	629,655	2,461,372	2,111,191	2,461,372	2,461,372
Life Insurance Proceeds	-0-	-0-	-0-	-0-	500,000	-0-	-0-
Total:	6,510,883	9,180,883	3,446,166	5,277,883	6,660,702	6,510,883	5,277,883

- (1) The amounts payable to Mr. Fazzolari due to his death or disability during the Protection Period would match the amounts payable to him for such occurrences outside of the Protection Period. If Mr. Fazzolari were terminated during the Protection Period for cause, he would receive the payment shown above for termination for cause in a non-change-in-control scenario, plus payout of his RSUs in the amount of \$1,233,000.

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The following table describes the potential compensation upon termination or a change in control for Geoffrey D. H. Butler, our President.

	Termination as a Result of:						
	Change in Control Voluntary (\$)	Change in Control Involuntary not for Cause (\$)	For Cause or Voluntary (\$)(1)	Involuntary not for Cause (\$)	Death (\$)	Disability (\$)	Retiremen (\$)
Executive Benefits and Payments Upon Termination Compensation							
Unpaid Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Non-Equity Incentive Plan Compensation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Long-Term Performance Incentives:							
Restricted Stock Units	772,240	772,240	-0-	-0-	772,240	772,240	772,240
Stock Options	1,151,740	1,151,740	1,151,740	1,151,740	1,151,740	1,151,740	1,151,740
Multiple of Base Salary	-0-	1,940,757	-0-	-0-	-0-	-0-	-0-
Nonqualified Deferred Compensation							
Q RSIP and Unpaid Deferred Compensation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
RSIP	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Benefits and Perquisites							
Pension	8,864,272	8,864,272	8,864,272	8,864,272	7,595,462	8,864,272	8,864,272
Life Insurance Proceeds	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total:	10,788,252	12,729,009	10,016,012	10,016,012	9,519,442	10,788,252	10,788,252

(1) The amounts payable to Mr. Butler due to his death or disability during the Protection Period would match the amounts payable to him for such occurrences outside of the Protection Period. If Mr. Butler were terminated during the Protection Period for cause, he would receive the payment shown above for termination for cause in a non-change-in-control scenario, plus payout of his RSUs in the amount of \$772,240. All amounts shown in the table with regard to Mr. Butler are stated at a conversion rate of \$1.65 = £1.00, except that pension amounts are stated at a conversion rate of \$1.59 = £1.00, which was the exchange rate on the pension plan measurement date of December 31, 2009.

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The following table describes the potential compensation upon termination or a change in control for Richard C. Neuffer, our Senior Vice President Harsco Corporation and Group CEO of our Harsco Rail Segment and our Harsco Industrial Group.

	Termination as a Result of:						
	Change in Control Voluntary (\$)	Change in Control Involuntary not for Cause (\$)	Involuntary		Death (\$)	Disability (\$)	Retirement (\$)
			For Cause or Voluntary (\$)(1)	not for Cause (\$)			
Executive Benefits and Payments Upon Termination Compensation							
Unpaid Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Non-Equity Incentive Plan Compensation	520,812	520,812	-0-	520,812	520,812	520,812	520,812
Unpaid Long-Term Performance Incentives:							
Restricted Stock Units	425,010	425,010	-0-	-0-	425,010	425,010	425,010
Stock Options Multiple of Base Salary	250,750	250,750	250,750	250,750	250,750	250,750	250,750
Nonqualified Deferred Compensation							
NQ RSIP and Unpaid Deferred Compensation	92,156	92,156	92,156	92,156	92,156	92,156	92,156
RSIP	385,764	385,764	385,764	385,764	385,764	385,764	385,764
Benefits and Perquisites							
Pension	721,011	721,011	378,626	721,011	511,940	721,011	721,011
Life Insurance Proceeds	-0-	-0-	-0-	-0-	500,000	-0-	-0-
Total:	2,395,503	2,395,503	1,107,296	1,970,493	2,686,432	2,395,503	2,395,503

(1) The amounts payable to Mr. Neuffer due to his death or disability during the Protection Period would match the amounts payable to him for such occurrences outside of the Protection Period. If Mr. Neuffer were terminated

during the Protection Period for cause, he would receive the payment shown above for termination for cause in a non-change-in-control scenario, plus payout of his RSUs in the amount of \$425,010.

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The following table describes the potential compensation upon termination or a change in control for Stephen J. Schnoor, our Senior Vice President and Chief Financial Officer.

	Termination as a Result of:						
	Change in Control Voluntary (\$)	Change in Control Involuntary not for Cause (\$)	Involuntary		Death (\$)	Disability (\$)	Retirement (\$)
			For Cause or Voluntary (\$)(1)	not for Cause (\$)			
Executive Benefits and Payments Upon Termination Compensation							
Unpaid Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Non-Equity Incentive Plan Compensation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Long-Term Performance Incentives:							
Restricted Stock Units	281,000	281,000	-0-	-0-	281,000	281,000	-0-
Stock Options Multiple of Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	400,000	-0-	-0-	-0-	-0-	-0-
Nonqualified Deferred Compensation							
NQ RSIP and Unpaid Deferred Compensation	80,627	80,627	80,627	80,627	80,627	80,627	80,627
RSIP	673,781	673,781	673,781	673,781	673,781	673,781	673,781
Benefits and Perquisites							
Pension Life Insurance Proceeds	699,775	699,775	409,664	699,775	471,572	699,775	699,775
	-0-	-0-	-0-	-0-	500,000	-0-	-0-
Total:	1,735,183	2,135,183	1,164,072	1,454,183	2,006,980	1,735,183	1,454,183

(1) The amounts payable to Mr. Schnoor due to his death or disability during the Protection Period would match the amounts payable to him for such occurrences outside of the Protection Period. If Mr. Schnoor were terminated during the Protection Period for cause, he would receive the payment shown above for termination for cause in a

non-change-in-control scenario, plus payout of his RSUs in the amount of \$281,000.

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The following table describes the potential compensation upon termination or a change in control for Mark E. Kimmel, our Senior Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary.

	Termination as a Result of:						
	Change in Control Voluntary (\$)	Change in Control Involuntary not for Cause (\$)	Involuntary		Death (\$)	Disability (\$)	Retirement (\$)
			For Cause or Voluntary (\$)(1)	not for Cause (\$)			
Executive Benefits and Payments Upon Termination Compensation							
Unpaid Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Non-Equity Incentive Plan Compensation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Long-Term Performance Incentives:							
Restricted Stock Units	638,300	638,300	-0-	-0-	638,300	638,300	-0-
Stock Options	63,620	63,620	63,620	63,620	63,620	63,620	63,620
Multiple of Base Salary	-0-	383,000	-0-	-0-	-0-	-0-	-0-
Nonqualified Deferred Compensation							
NQ RSIP and Unpaid Deferred Compensation	45,954	45,954	45,954	45,954	45,954	45,954	45,954
RSIP	529,759	529,759	529,759	529,759	529,759	529,759	529,759
Benefits and Perquisites							
Pension	60,477	60,477	35,920	60,477	40,591	60,477	60,477
Life Insurance Proceeds	-0-	-0-	-0-	-0-	500,000	-0-	-0-
Total:	1,338,110	1,721,110	675,253	699,810	1,818,224	1,338,110	699,810

(1) The amounts payable to Mr. Kimmel due to his death or disability during the Protection Period would match the amounts payable to him for such occurrences outside of the Protection Period. If Mr. Kimmel were terminated during the Protection Period for cause, he would receive the payment shown above for termination for cause in a

non-change-in-control scenario, plus payout of his RSUs in the amount of \$638,300.

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The following table describes the potential compensation upon termination or a change in control for Galdino J. Claro, our Global CEO, Harsco Metals and Harsco Minerals.

	Termination as a Result of:						
	Change in Control						
	Change in	Involuntary	Involuntary				
	Control	not for	For Cause	not for	Death	Disability	Retirement
Voluntary	Cause	or	Cause	(\$)	(\$)	(\$)	(\$)
(\$)	(\$)	Voluntary	(\$)(1)	(\$)	(\$)	(\$)	(\$)
Executive Benefits and Payments Upon Termination Compensation							
Unpaid Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unpaid Non-Equity Incentive Plan Compensation	390,000	390,000	390,000	390,000	390,000	390,000	390,000
Unpaid Long-Term Performance Incentives:							
Restricted Stock Units	245,250	245,250	-0-	-0-	245,250	245,250	-0-
Stock Options	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Multiple of Base Salary	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Nonqualified Deferred Compensation							
NQ RSIP and Unpaid Deferred Compensation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
RSIP	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Benefits and Perquisites							
Pension	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Life Insurance Proceeds	-0-	-0-	-0-	-0-	500,000	-0-	-0-
Total:	635,250	635,250	390,000	390,000	1,135,250	635,250	390,000

(1) The amounts payable to Mr. Claro due to his death or disability during the Protection Period would match the amounts payable to him for such occurrences outside of the Protection Period. If Mr. Claro were terminated during the Protection Period for cause, he would receive the payment shown above for termination for cause in a non-change-in-control scenario, plus payout of his RSUs in the amount of \$245,250.

Severance Benefits Payable Outside of a Change in Control

Upon certain types of terminations of employment (other than a termination during the Protection Period) severance benefits may be paid to the named executive officers. However, the named executive officers are not covered by any type of arrangement or general severance plan that would pay severance benefits to any of them outside of a change in

control situation and any severance benefits payable to them would (1) in the case of the Chief Executive Officer, be determined by the Compensation Committee in its discretion and (2) in the case of the other named executive officers, be determined by us in our discretion, subject to review and approval by the Compensation Committee.

Benefits and Perquisites

Pension benefits, perquisites and other compensation and benefits payable to the named executive officers are discussed in greater detail in the section entitled "Compensation Discussion and Analysis" beginning on page 24 of this Proxy Statement.

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TRANSACTIONS WITH RELATED PERSONS

One of our directors, Henry W. Knueppel, serves as Chairman and Chief Executive Officer of Regal Beloit Corporation, a multi-national organization serving the HVAC, industrial motor, power transmission and power generation markets. During calendar year 2009, our Harsco Rail business paid Regal Beloit Corporation \$817,582 for products purchased from Regal Beloit Corporation. Our full Board has reviewed and approved these transactions under the policies and procedures described below.

One of our directors, Andrew J. Sordoni, serves as Chairman of Sordoni Construction Services, Inc., a building construction and management services company. During calendar year 2009, our Harsco Infrastructure business conducted business with Sordoni Construction Services, Inc. through the rental of scaffolding and equipment to Sordoni Construction Services, Inc. and was paid \$114,673 by Sordoni Construction Services, Inc. Our full Board has reviewed and approved these transactions under the policies and procedures described below.

One of our directors, Stuart E. Graham, serves as Chairman of Skanska USA, a leading provider of world-class construction services, and previously served as President and Chief Executive Officer of Skanska AB, one of the world's largest construction groups, until his retirement in April 2008. During calendar year 2009, our Harsco Infrastructure business was paid \$7,337,753 by various Skanska entities in connection with the rental of equipment and provision of services to such entities. Our full Board has reviewed and approved these transactions under the policies and procedures described below.

For the fiscal year ended December 31, 2009, there were no other transactions with the Company in which any related person had a direct or indirect material interest that would need to be disclosed pursuant to Item 404 of Regulation S-K nor were there any planned transactions.

Policies and Procedures Regarding Transactions with Related Persons

Our policies and procedures regarding related person transactions are set forth in writing in the Nominating and Corporate Governance Committee Charter and in our Code of Conduct. As set forth in its charter, the Nominating and Corporate Governance Committee of the Board of Directors is responsible for reviewing and approving all material transactions with any related person. Related persons include any of our directors, director nominees or executive officers, certain of our stockholders and their immediate family members. A copy of the Nominating and Corporate Governance Committee Charter and our Code of Conduct are available at the Corporate Governance section of our website at www.harsco.com/insight-on-harsco. Approval of related-party transactions by our full Board ma