

HARSCO CORP
Form DEF 14A
March 17, 2006

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

**SCHEDULE 14A
(Rule 14a-101)**

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934 (AMENDMENT NO.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy
Statement

Definitive Additional
Materials

Soliciting Material
Pursuant to
Section 240.14a-11(c)
or Section 240.14a-2.

Harsco Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-12.

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

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11
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(4) Proposed maximum aggregate value of transaction:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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**Notice of
2006 Annual
Meeting and Proxy
Statement**

Harsco Corporation

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Harsco Corporation
350 Poplar Church Road
Camp Hill, PA 17011 USA
Mail: P.O. Box 8888
Camp Hill, PA 17001-8888 USA

Telephone: 717.763.7064
Fax: 717.763.6424
Web: www.harsco.com

March 20, 2006

To Our Stockholders:

You are cordially invited to attend the 2006 Annual Meeting of Stockholders of your Company, which will be held on Tuesday, April 25, 2006, beginning at 10 a.m. 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,

Derek C. Hathaway
*Chairman and Chief
Executive Officer*

This document is intended to be mailed to stockholders on or about March 20, 2006.

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HARSCO CORPORATION

350 Poplar Church Road
Camp Hill, Pennsylvania 17011 USA
Mail: P.O. Box 8888
Camp Hill, Pennsylvania 17001-8888 USA

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Harsco Corporation will be held on Tuesday, April 25, 2006, at 10 a.m. at the Radisson Penn Harris Hotel and Convention Center, Camp Hill, Pennsylvania to consider and act upon the following matters:

1. Election of eleven Directors to serve until the next Annual Meeting of Stockholders, and until their successors are elected and qualified;
2. Ratification of the appointment by the Audit Committee of the Board of Directors of PricewaterhouseCoopers LLP as independent auditors to audit the accounts of the Company for the fiscal year ending December 31, 2006; and
3. Such other business as may properly come before the Annual Meeting.

The Board of Directors has fixed the close of business on March 3, 2006, 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 of Directors,

Mark E. Kimmel
General Counsel and Corporate Secretary
March 20, 2006

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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 of Harsco Corporation, a Delaware corporation (the Company), of Proxies in the accompanying form to be used at the Annual Meeting of Stockholders of the Company, to be held April 25, 2006, or at any adjournment or adjournments 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:	The Company's 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 3, 2006
Shares of common stock issued and outstanding as of the Record Date:	41,835,886 shares
Number of shares of treasury stock held by the Company as of the Record Date (not entitled to vote):	26,474,109 shares
Proxy Statements, Notice of Annual Meeting and Proxy Cards are intended to be mailed to stockholders:	On or about March 20, 2006
Location of Company's executive offices:	350 Poplar Church Road, Camp Hill, Pennsylvania 17011

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 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 at the Annual Meeting will be required for the 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 the Company's Restated Certificate of Incorporation and By-Laws.

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 specified, or

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If no instructions are provided, those shares of common stock will be voted (1) FOR the election of eleven nominees for 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 later date than 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 they can revoke your proxy on your behalf.

Abstentions and Broker Non-Votes

In certain circumstances, a stockholder will be considered to be present at the Annual Meeting for quorum purposes but will not be deemed to have cast a vote on a matter. That occurs when a stockholder is present but specifically 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, abstentions and broker non-votes will not be treated as votes cast with respect to 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

The Company has a long-standing commitment to good corporate governance practices. These practices come in many different forms and apply at all levels of the organization. They provide the Board of Directors and senior management of the Company with a framework that defines responsibilities, sets high standards of professional and personal conduct and promotes compliance with the various financial, ethical, legal and other obligations and responsibilities applicable to the Company. Specific governance actions taken by the Board of Directors during 2005 include recommending to the stockholders and the stockholders approving the elimination of the classification of the Board of Directors and reviewing and revising the executive employment agreements that apply to certain officers of the Company , including the Named Executive Officers (see page 29, Employment Agreements with Officers of the Company.)

The Company s corporate governance principles and code of business conduct for employees and directors can be viewed at the Governance section of the Company s website, *www.harsco.com*. Information contained on the Company s website is not incorporated by reference into this Proxy Statement, and you should not consider information contained on the Company s website as part of this Proxy Statement. Copies of the Company s 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 the Company.

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BOARD INFORMATION

Structure

Information regarding the structure of the Company's Board of Directors:

Current size:	11 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

Meeting Attendance and Committees

The Board of Directors held nine meetings during the fiscal year ended December 31, 2005. All Directors attended at least 75% of the total Board and committee meetings on which they served and the average attendance by Directors at all Board and committee meetings was 97%. The Independent Directors held three meetings during 2005.

Audit Committee

Meetings in 2005: four

Members: Mr. Scheiner, Chairman, Ms. Eddy, Mr. Pierce, Ms. Scanlan and Mr. Viviano

Duties: Oversees the financial reporting processes of the Company, 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 the Company's internal controls. 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 beginning on page 15. The Audit Committee recently completed a review of its charter and determined that several amendments were appropriate. A copy of the revised Audit Committee charter is attached to this Proxy Statement as Appendix A and can be viewed at the Governance section of the Company's website at www.harsco.com.

Executive Committee

Meetings in 2005: None

Members: Mr. Hathaway, Chairman, Messrs. Scheiner, Sordoni and Wilburn

Duties: 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 2005: five

Members: Mr. Wilburn, Chairman, Messrs. Jasinowski, Scheiner and
Sordoni and Ms. Scanlan

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Duties: Administers the Company's executive compensation policies and plans and advises the Board regarding management succession and compensation levels for members of senior management. See also the Management Development and Compensation Committee Report on Executive Compensation beginning on page 19. The Board revised the Management Development and Compensation Committee's (the Compensation Committee) charter as of January 2006 to further clarify its responsibilities with respect to certain matters. A copy of the Compensation Committee's charter can be viewed at the Governance section of the Company's website at www.harsco.com.

Nominating and Corporate Governance Committee Meetings in 2005: three

Members: Mr. Sordoni, Chairman, Messrs. Jasinowski, Pierce, Viviano and Wilburn

Duties: Recommends Director candidates to the Board for election at Annual Meeting, reviews and recommends potential new Director candidates, and oversees the corporate governance program of the Company. The Board revised the Nominating and Corporate Governance Committee's (the Nominating Committee) charter as of January 2006 to further clarify its responsibilities with respect to certain matters. A copy of the Nominating Committee's charter can be viewed at the Governance section of the Company's website at www.harsco.com.

Directors Compensation

The current fees for Non-Employee Directors effective January 1, 2006 are as follows:

Annual Retainer:	\$35,000
Audit Committee Chair Fee (Annual):	\$7,500
Compensation Committee Chair Fee and Nominating Committee Chair Fee (Annual):	\$5,000
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 (1):	1,000 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 first business day of May.)
Plan Participation (2):	Deferred Compensation Plan for Non-Employee Directors

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Directors who are actively employed by the Company receive no additional compensation for serving as Directors and by policy, the Company does not pay consulting or professional service fees to Directors.

- (1) On May 2, 2005, the Company granted 750 restricted stock units to each of the Non-Employee Directors under the terms of the 1995 Non-Employee Directors Stock Plan. The grant price of the restricted stock units was \$53.75 per share which was the average of the high and low market price on the date of grant. The restricted stock units vest on April 25, 2006. At the November meeting of the Compensation Committee, the Compensation Committee reviewed the compensation of the non-employee Directors and recommended that the annual equity portion of the compensation be increased from 750 to 1,000 restricted stock units. The Board of Directors approved the recommendation effective January 1, 2006.
- (2) The Deferred Compensation Plan for Non-Employee Directors (the Plan) 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 compensation which is deferred 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 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. The Plan has been amended to operate in accordance with the provisions of the American Jobs Creation Act of 2004.

Stockholder Communications with the Board of Directors

The Board of Directors has a formal process for stockholders to communicate directly with its members. Stockholders can contact the Board through the Chairman and Chief Executive Officer who is located at the Company s headquarters in Camp Hill, Pennsylvania. In addition, stockholders may contact any member of the Board, including the lead independent director, Dr. Robert Wilburn, by writing to the specific Board member in care of the Corporate Secretary at the Corporate Headquarters (350 Poplar Church Road, Camp Hill, PA 17011). The Corporate Secretary will forward any such correspondence to the applicable Board member; provided, however, that any such correspondence that is considered to be improper for submission to the intended recipients will not be provided to such Directors. In addition, Board members can be contacted by e-mail at *BoardofDirectors@Harsco.com*.

Attendance at Annual Meeting

It is the Company s policy to request that all Board members attend the Annual Meeting of Stockholders. However, the Company also recognizes that personal attendance by all Directors is not always possible. All eleven Directors did attend the 2005 Annual Meeting of Stockholders.

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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 the corporate governance philosophy and practices of the Company. The Nominating Committee is composed of five directors each of whom is independent under the rules of the New York Stock Exchange and the Pacific Stock Exchange. The Nominating Committee operates according to a charter that complies with the guidelines established by the New York Stock Exchange and the Pacific Stock Exchange.

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 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 accepts 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.
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 Securities and Exchange Commission, and the reasons why, in the opinion of the recommending stockholder, the proposed nominee is qualified and suited to be a director of the Company.
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 the Company, any employee or other director of the Company, any beneficial owner of more than 5% of the Company's 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 stockholders of the Company.

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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 the Company's undertaking of an investigation into their background, experience and qualifications, any direct or indirect relationship with the recommending stockholder, the Company, its 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 2007 ANNUAL MEETING OF STOCKHOLDERS**.

There have been no material changes to the procedures relating to stockholder nominations during 2005. The Nominating Committee believes that these formalized 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: strength of character, mature judgment, business experience, 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 a candidate should be nominated as a candidate in the Proxy Statement, the candidate'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 current directors have been recommended by the Nominating Committee to the Board of Directors for election as directors of the Company at the 2006 Annual Meeting of Stockholders and the Board has approved the recommendation. The Company did not engage a third party search firm to assist with the selection of the director candidates for the 2006 Annual Meeting of Stockholders. During 2005, the Company received no recommendation for directors from any stockholders.

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Independence Standards For Directors

The following standards have been applied by the Board of Directors of Harsco Corporation in determining whether individual directors qualify as independent under the Rules of the New York Stock Exchange. The Board has affirmatively determined that the following eight Directors are independent: Messrs. Jasinowski, Pierce, Scheiner, Sordoni, Viviano, Wilburn and Ms. Eddy and Ms. Scanlan. References to Harsco include its 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 Harsco, either directly or as a partner, shareholder or officer of an organization that has a relationship with Harsco. Harsco will disclose these affirmative determinations.
2. No director who is a former Harsco employee can be deemed independent until three years after the end of his or her employment relationship with Harsco.
3. No director whose immediate family member is or has been an executive officer of Harsco 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 \$100,000 during any twelve-month period in direct compensation from Harsco, other than director and committee fees and pension or other forms of 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 \$100,000 during any twelve-month period in such compensation.
5. No director can be independent:
 - a. who is, or whose immediate family member is, a current partner of Harsco's internal or external auditor;
 - b. who is a current employee of Harsco's internal or external auditor;
 - c. whose immediate family member is a current employee of Harsco's internal or external auditor and participates in such auditor's audit, assurance or tax compliance (but not tax planning) practice; 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 Harsco's 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 Harsco's 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, Harsco 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.

PROPOSAL 1: ELECTION OF DIRECTORS

The first proposal to be voted on at the Annual Meeting is the election of the following eleven Directors, each of whom is recommended by the Board of Directors. Biographical information about each of these nominees is included below.

Table of Contents**The Board of Directors Recommends that Stockholders Vote FOR the Election of Each of the Following Nominees:****DIRECTOR INFORMATION**

The information set forth below states the name of each nominee for Director, his or her age (as of March 20, 2006), a listing of present and previous employment positions, the year in which he or she first became a Director of the Company, other directorships held and the committees of the Board on which the individual serves.

Name	Age	Position with the Company and Prior Business Experience	Director of the Company Since
G. D. H. Butler	59	Senior Vice President Operations of the Company since 2000. Concurrently serves as President of the MultiServ Division and President of the SGB Division. President of Heckett MultiServ International and SGB from 2000 to 2003, and from 1994 to 2000 served as President of the Heckett MultiServ East Division. 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 corporation in 1993.	2002
K. G. Eddy	55	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 2000-2001. Chairman of the AICPA Special Committee on State Regulation from 2002 to present. Current member of the AICPA Governing Council. Member of the Audit Committee.	2004
S. D. Fazzolari	53	President, Chief Financial Officer and Treasurer of the Company since January 2006. 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
D. C. Hathaway	61	Chairman and Chief Executive Officer of the Company since January 2006 and from January 1998 to July 2000. Served as Chairman, President and Chief Executive Officer of the Company from July 2000 to January 2006 and from April 1994 to January 1998. Served as President and Chief Executive Officer of the Company from January 1994 to April 1994. Served as President and Chief Operating Officer of the Company from May 1991 to January 1994. Held various executive positions with the Company prior to 1991. Director of M&T Bank Corp. Chairman of the Executive Committee.	1991

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Name	Age	Position with the Company and Prior Business Experience	Director of the Company Since
J. J. Jasinowski	67	<p>President of The Manufacturing Institute (research and education unit of a business advocacy group). Former President of the National Association of Manufacturers (business advocacy and policy association) between 1990 and 2004. Mr. Jasinowski is also an author and commentator on economic, industrial and governmental issues. Former positions include Assistant Professor of Economics at the Air Force Academy, Director of Research at the Joint Economic Committee of Congress, Director of the Carter Administration's Economic transition team, and Assistant Secretary of Policy at the U.S. Department of Commerce. Mr. Jasinowski is a director of The Phoenix Companies, Inc., The Timken Company and WebMethods.</p> <p>Member of the Compensation Committee and the Nominating Committee.</p>	1999
D. H. Pierce	64	<p>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 Steam Power Plants and Environmental Systems of ABB Inc. 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.</p> <p>Member of the Audit Committee and the Nominating Committee.</p>	2001

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Name	Age	Position with the Company and Prior Business Experience	Director of the Company Since
C. F. Scanlan	58	President, Chief Executive Officer and Board Member of The Hospital and Healthsystem Association of Pennsylvania (representation and advocacy organization) since July 2003. Served as President and Chief Executive Officer of both The Health Alliance of Pennsylvania (representation and advocacy organization) and the Hospital and Healthsystem Association of Pennsylvania from 1995 to July 2003. Served as Executive Vice President and Chief Operating Officer of the Health Alliance of Pennsylvania between 1995 and 1996. Member of the Board of Directors of PHICO Group Inc. and its subsidiary corporations PHICO Services, PHICO Capital Markets and Independence Indemnity, from 1998 to the present. On December 14, 2001, PHICO Group filed a Chapter 11 bankruptcy petition in the U.S. Bankruptcy Court in Harrisburg, Pennsylvania. A Plan of Reorganization was approved by the Court on August 20, 2004. Served as Chairman of PHICO Insurance Company, a wholly-owned subsidiary of PHICO Group, from 1998 to November 2001. On August 16, 2001, the Commonwealth Court of Pennsylvania issued an Order of Rehabilitation for PHICO Insurance Company which gave the Pennsylvania Insurance Department statutory control over that company. On February 1, 2002, the Pennsylvania Insurance Department declared the PHICO Insurance Company insolvent and the Pennsylvania Commonwealth Court issued an order authorizing the Insurance Department to liquidate that company. The liquidation is proceeding. PHICO Services and PHICO Capital Markets filed for federal bankruptcy protection in February 2003 and a Plan of Liquidation was approved March 24, 2005 and Independence Indemnity was placed in rehabilitation by the Kansas Insurance Commissioner in June of 2002. Member of the Compensation Committee and the Audit Committee.	1998
J. I. Scheiner	61	Chairman of Benatec Associates, Inc. (an engineering and environmental company) since January 2006. 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 Pennsylvania Chamber of Business and Industry Board. Chairman of the Audit Committee and member of the Executive Committee and the Compensation Committee.	1995
A. J. Sordoni, III	62	Chairman of Sordoni Construction Services, Inc. (a building construction and management services company) and has been employed by that company since 1967. Chairman of the Nominating Committee; Member of the Compensation and the Executive Committees.	1988

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Name	Age	Position with the Company and Prior Business Experience	Director of the Company Since
J. P. Viviano	67	Retired Vice Chairman of Hershey Foods Corporation (a confectionery and grocery products company). Was President and Chief Operating Officer of Hershey Foods Corporation from 1994 to 1998. Mr. Viviano is a director of Chesapeake Corporation, Reynolds American, Inc. and RPM, Inc. Member of the Audit Committee and the Nominating Committee.	1999
R. C. Wilburn	62	President of the Gettysburg National Battlefield Museum Foundation (a nonprofit educational institution) since 2000. Former President and Chief Executive Officer of the Colonial Williamsburg Foundation (a historic preservation and educational outreach organization) between 1992 and 1999. Other former positions include Distinguished Service Professor at Carnegie Mellon University, President of Carnegie Institute and Carnegie Library and Secretary of Education for the Commonwealth of Pennsylvania. He is a Director of Erie Indemnity Company and Erie Family Life. Chairman of the Compensation Committee; Member of the Nominating and the Executive Committee.	1986