

Corporate Governance Principles

The following principles govern the organization and activities of the Harsco Corporation Board of Directors (the “Board”). These principles are not intended as binding legal obligations or inflexible requirements, and are not intended to interpret applicable laws and regulations or modify the Company’s certificate of incorporation or bylaws.

Board Composition

Size of the Board

The number of directors serving on the Board should be established with a view toward balancing the need for diversity of experience and talent against the risk of diluting responsibility and participation of Board members. It is the sense of the Board that a size of between eight and twelve members will generally be appropriate for the Board depending upon the circumstances.

Offices of Chairman and Chief Executive Officer

The Board will determine whether the offices of Chief Executive Officer and Chairman of the Board (the “Chairman”) should be combined or separate, based on an analysis of then-existing facts and what is in the best interests of the Company at any particular time.

Non-Executive Chairman

If the offices of Chief Executive Officer and Chairman are not combined, the Board will elect a Non-Executive Chairman. The Non-Executive Chairman will be selected by the independent directors and will serve for a term to be determined by the independent directors, with a stated goal of establishing a three year term with the possibility of re-election for up to one additional three year term, contingent on the selected individual’s continued election to the Board for each year in the initial and/or subsequent term as applicable.

The Non-Executive Chairman’s responsibilities include the following:

- to serve as a resource to the Chief Executive Officer in connection with his transition, as necessary; to serve as a resource to the Chief Executive Officer in connection with strategic planning and other matters of strategic importance to the Company;
- to receive reports from the Chief Executive Officer and to organize and facilitate the Chief Executive Officer evaluation process and provide ongoing, constructive feedback to the Chief Executive Officer;
- to consult with the Chief Executive Officer regarding the Company’s relations and communications with stockholders of the Company, analysts and the investor community;
- to chair meetings of the Board;
- to set the schedule and agenda for Board meetings in consultation with the Chief Executive Officer;
- in consultation with the Chief Executive Officer, to determine the information that is sent to the Board;

- to preside over the executive sessions and other meetings of the independent directors; and
- to communicate the results of meetings of the independent directors to the Chief Executive Officer and other members of management, as appropriate.

If the Non-Executive Chairman is unable to attend a meeting of the Board, then the Chief Executive Officer shall chair the meeting. In the event both the Non-Executive Chairman and the Chief Executive Officer are unable to attend a meeting of the Board, then the Chair of the Nominating and Corporate Governance Committee shall chair the meeting. The Chair of the Nominating and Corporate Governance Committee shall also preside over any executive session or other meeting of the independent directors in the event the Non-Executive Chairman is unable to attend such meeting.

Lead Director

If the offices of Chief Executive Officer and Chairman are combined, the Board will establish a Lead Director position. The Lead Director will be an independent director selected by the independent directors and will serve for a term to be determined by the independent directors, with a stated goal of establishing a three year term with the possibility of re-election for up to one additional three year term, contingent on the selected individual's continued election to the Board for each year in the initial and/or subsequent term as applicable, and subject to the procedures for selecting a Lead Director developed by the Board.

The Lead Director's responsibilities include the following:

- establishing the agenda for the executive sessions of the independent directors;
- calling meetings of the independent directors, in addition to the executive sessions of independent directors held after each Board meeting;
- chairing the executive sessions and other meetings of the independent directors;
- communicating the result of meetings of the independent directors to the Chairman and other members of management, as appropriate;
- regularly consulting with the Chairman;
- discussing the schedule and agenda for the Board meetings with the Chairman;
- approving the meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- presiding at Board meetings in the absence of the Chairman;
- reviewing information that is sent to the Board and all critical communications to the Board; and
- being available for consultation and direct communication at the request of major stockholders.

In the event both the Chairman and the Lead Director are unable to attend a meeting of the Board, then the Chair of the Nominating and Corporate Governance Committee shall preside at such meeting. The Chair of the Nominating and Corporate Governance Committee shall also chair any executive session or other meeting of the independent directors in the event the Lead Director is unable to attend such meeting.

Selection of Members

The Board will work together in seeking and nominating candidates for Board membership. The Board has delegated the screening process for new directors to the Nominating and Corporate Governance Committee in consultation with the Chairman. Consistent with its charter, the Nominating and Corporate Governance Committee is responsible for screening director candidates, for establishing criteria for director nominees and for recommending to the Board a slate of nominees for election to the Board at the Annual Meeting of Stockholders, and nominees for election by the Board to fill vacancies on the Board. In addition, the Nominating and Corporate Governance Committee will make a serious evaluation of each incumbent director prior to any re-nomination.

Independence

At least two-thirds of the Board should be “independent” directors as defined by the New York Stock Exchange. No independent director may be an affiliated person of the Company or any of its subsidiaries or accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company or any of its subsidiaries, provided that, unless the rules of the New York Stock Exchange provide otherwise, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company, provided that such compensation is not contingent in any way on continued service.

The Board shall undertake an annual review of the independence of all non-employee directors, which shall be administered by the Nominating and Corporate Governance Committee. At or prior to the meeting in which this review is to occur, the Nominating and Corporate Governance Committee shall provide the Board with sufficient information about each non-employee director’s business relationships with the Company and its management to enable it to evaluate the director’s independence. Based on this evaluation and any other facts and circumstances the Board deems appropriate, the Board will affirmatively determine and identify which directors qualify as independent. Directors who have been designated as independent are expected to inform the Board promptly of any material changes in their circumstances or relationships that may impact their designation by the Board as independent.

Majority Vote Standard for Resignation of Directors

Article III, Section 2 of the bylaws of the Company sets forth the Company’s majority vote standard for resignation of directors, as follows: If, in any election of directors at an Annual Meeting where the number of director nominees does not exceed the number of directors to be elected (*i.e.*, an uncontested election), a nominee for director receives a greater number of votes “withheld” from his or her election than votes “for” his or her election (a “Majority Withheld Vote”), then such director shall tender his or her resignation in writing to the Chairman promptly following the certification of the election results, which resignation will be conditioned upon acceptance by the Board. The Nominating and Corporate Governance Committee shall evaluate each resignation tendered and shall recommend to the Board whether to accept or reject each such resignation. The Board shall act on each such resignation, taking into account the recommendation of the Nominating and Corporate Governance Committee, within 90 days

following the certification of the election results. Upon making its determination, the Board will promptly disclose (i) its decision whether to accept or reject the Director's tendered resignation and (ii) if rejected, the reasons for rejecting the tendered resignation. The Nominating and Corporate Governance Committee, in making its recommendation, and the Board, in making its decision, may consider any factors or other information that it considers appropriate and relevant. If a director's resignation is not accepted by the Board, then such director shall continue to serve until the next Annual Meeting and until such director's successor is elected and qualified, except as required by law.

A director who tenders a resignation pursuant to the foregoing shall not vote with respect to the recommendation of the Nominating and Corporate Governance Committee or the decision of the Board as to whether to accept his or her resignation. If, however, each member of the Nominating and Corporate Governance Committee received a Majority Withheld Vote in the same uncontested election, then the Board will appoint a committee comprised solely of independent directors who did not receive a Majority Withheld Vote in that election to consider each tendered resignation and make a recommendation to the Board with respect thereto.

Qualities of a Director

The Nominating and Corporate Governance Committee works with the full Board to determine the appropriate characteristics, skills and experiences for the Board as a whole and its individual members. While the Nominating and Corporate Governance Committee has not established minimum criteria for a director candidate, it has established important factors to consider in evaluating a director candidate. These factors include the following (although candidates need not possess all of the following characteristics, and not all factors are weighted equally):

- integrity and strength of character;
- mature judgment;
- 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;
- career specialization;
- relevant technical skills;
- time and willingness to perform duties as a director;
- absence of conflicts of interest that would impair his or her ability to perform his or her director duties;

- diversity; and
- the extent to which the candidate would fill a present need on the Board.

To ensure the Board is comprised of members with an appropriate mix of characteristics, skills, experiences and backgrounds, the Board is committed to a policy of inclusiveness. To that end, and to the extent consistent with applicable legal requirements and the Board's fiduciary duties, the Board is committed to seeking out highly qualified women and minority candidates as well as candidates with diverse backgrounds, experiences and skills as part of each Board search the Company undertakes, and to ensuring that Board nominees are drawn from a pool that includes diverse candidates, including women and minority candidates.

Retirement Age

It is the Board's policy that no person who has attained the age of 72 prior to the applicable Annual Meeting is eligible to stand for election to the Board.

Term Limits

The discretion of the Nominating and Corporate Governance Committee and Board in carefully reviewing directors for re-nomination and the stockholders in reelecting directors provides appropriate protection against directors remaining on the Board despite declining performance. Therefore, the Board has determined that the more arbitrary measure of director term limits is unnecessary.

Service on Other Boards

Independent directors who are members of the Audit Committee may serve on the boards of directors of no more than three public companies, including the Board. Other non-executive directors may serve on the boards of directors of no more than four public companies, including the Board. Exceptions to these limits shall be approved on a case-by-case basis by the Board. Directors should advise the Chairman and the Chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on the board of directors (or similar body) of another for-profit company. The Nominating and Corporate Governance Committee will take into consideration the extent to which a director's ability to adequately fulfill his or her responsibility to the Company and the Board may be impaired by service on other boards and committees.

Additionally, the CEO and other executive officers of the Company must obtain the approval of the Board before accepting membership on other for-profit boards (or similar bodies), which approval shall only be granted if the Board believes such service to be in the best interests of the Company. In addition, prior to seeking Board approval for membership on other for-profit boards or similar bodies, executive officers other than the CEO must also obtain the approval of the CEO.

In determining whether to approve an executive's request to serve on the board or similar body of a for-profit entity, the Board shall consider the totality of facts and circumstances surrounding the request, including the expected time commitment involved with service on the proposed

entity's board, the number of other boards (both public and private, non-profit and for-profit) on which the executive currently serves, the length of time the executive has been with the Company, the length of time the executive has been in his or her current position with the Company, whether the proposed entity is a customer, supplier, or competitor of the Company, and any other facts and circumstances the Board deems appropriate. Neither the CEO nor an executive officer of the Company may serve on any board of directors of a company if the CEO or another executive officer of that company is serving on the Board. Further, in no event shall an executive officer, including the CEO, serve on more than one other for-profit board or similar body (in addition to the Board, where applicable).

The Board shall also, as part of its annual review of the Chairman and/or Chief Executive Officer, look particularly at the impact any outside board service may have on the performance of his or her responsibilities for the Company.

Changes in Circumstances

When there is a change in a director's professional circumstances from those that pertained at the time of their election to the Board, the director is expected to offer in writing to resign from the Board. A director who retires or changes position or responsibility after being elected to the Board will not necessarily be required to leave the Board. The Nominating and Corporate Governance Committee will review the continued appropriateness of Board membership and make recommendations for action by the Board.

Board Operation and Structure

Number of Meetings

The Board will meet as frequently as it may determine necessary or appropriate in light of the circumstances and in accordance with the schedule determined by the Chairman or the Lead Director, in consultation with the CEO, where appropriate. The Chairman, the President or any three directors have the discretion to call additional Board meetings as they deem necessary or appropriate. The independent directors meet in executive session after every Board meeting. Members of management do not attend those executive sessions unless specifically invited by the Lead Director or Chairman.

Board Self-Evaluation

The Board will annually assess the performance of the Board as a group and implement any actions deemed necessary for improvement. The Board self-evaluation process will periodically include one-on-one interviews with directors conducted by the Chairman, the Chair of the Nominating and Corporate Governance Committee or the General Counsel. The Nominating and Corporate Governance Committee shall oversee this evaluation process.

Access to Management

Directors shall have free access to management and management information. Members of management will make regular presentations at Board meetings in order to provide particular insights into various aspects of the Company's business and to provide management with exposure to the Board for purposes of management development.

Access to Experts

The Board and all Committees of the Board shall be entitled, at the expense of the Company, to engage such independent legal, financial and other advisors as they deem appropriate, without consulting or obtaining the approval of any officer of the Company, with respect to any matters subject to their respective authorities.

Board Interaction with Third Parties

The Board believes that management speaks for the Company. Directors may, from time to time, be contacted by institutional investors, other stockholders, sellers of businesses or possible merger partners, government or community officials, analysts or the press to comment on or discuss the business of the Company. Directors are expected to refrain from communicating with any of the foregoing without prior consultation with the Chairman and/or the Chief Executive Officer, except in accordance with the policies and procedures adopted by the Board.

Orientation and Education

New directors shall participate in an orientation program, which will be conducted as soon as practicable after their election or appointment to the Board but before their attendance at their first Board meeting. The content of the orientation program will be determined by the Chairman in consultation with other senior management of the Company.

Responsibilities of the Board

The primary responsibility of the Board is to oversee and provide direction and counsel to the senior management of the Company. Board members are expected to devote the time necessary to appropriately discharge their responsibilities, to review materials distributed in advance of Board and committee meetings and to prepare for and attend and participate in all meetings of the Board and of Board committees on which they serve. In addition, each director is expected to attend the Annual Meeting of Stockholders. The Board's responsibilities include, but are not limited to:

- reviewing and, where appropriate, approving the Company's major financial and operational objectives, plans, strategies and actions
- overseeing the conduct of the Company's business to assure that it is being properly managed;
- regularly evaluating the performance and approving the compensation of the Chief Executive Officer, and in consultation with the Chief Executive Officer, also reviewing the performance of the other members of the Company's senior management team;
- planning for succession with respect to the Chief Executive Officer, including planning appropriate contingencies in case the Chief Executive Officer retires, resigns or is incapacitated, and monitoring management's succession planning for other key executives of the Company;
- overseeing risk assessment and management of the Company's major financial and other risk exposures;

- providing advice and counsel to the Chief Executive Officer and other executives of the Company;
- assisting management in the oversight of compliance by the Company with applicable laws and regulations, including in connection with public reporting obligations of the Company;
- overseeing management with a goal of ensuring that the assets of the Company are safeguarded through the maintenance of appropriate accounting, financial, and other controls;
- periodically assessing the effectiveness of policies for communication between the Company's stockholders and directors;
- periodically assessing the Company's position on issues related to corporate social responsibility, public policy and philanthropy; and
- evaluating and taking steps to maintain the effectiveness of the Board, by recommending appropriate candidates for membership, by establishing appropriate compensation and by regularly reviewing and evaluating the operations of the Board, each Committee and each Board member.

Directors will discharge the above responsibilities by exercising their business judgment in a manner that they believe in good faith is in the best interest of the Company and its stockholders. The proceedings and deliberations of the Board and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director of the Company.

Meeting Procedures

Information Access and Agenda Items

The Lead Director and/or the Chairman and the Chief Executive Officer have responsibility for formulating the agenda for Board meetings, with input from other members of the Board. Directors will have access to all of the information that they believe is necessary or useful in fulfilling their duties. The Company's mentoring program provides directors direct contact with the operating units and assists in conveying information to the Board.

Executive Sessions

Independent directors will meet, without management present, after each regularly scheduled Board meeting and on such other occasions as they deem appropriate. Independent directors shall also meet annually to review the performance of the Chief Executive Officer. The Board will designate two or more independent directors, including the Lead Director, if any, to review the conclusions of the performance evaluation with the Chief Executive Officer.

Informational Reports to the Board

The Chief Executive Officer and the Chief Financial Officer, the officers responsible for certifying the Company's financial statements and SEC reports, will present financial performance reports to the Board at each Board meeting. The Chief Executive Officer will report, or will arrange for other Company management to report to the Board at least annually on succession planning for the Chief Executive Officer and other key management positions,

management development and training and the strategic direction of the Company and each of its divisions.

Compensation

Board Compensation

It is the policy of the Board to provide the independent directors with a mix of compensation, including an annual cash retainer, meeting attendance fees, and annual stock option and restricted stock grants based on continued service on the Board and Company performance. The Chairman and the Corporate Secretary shall annually formulate and present to the Nominating and Corporate Governance Committee for its consideration a recommendation on director compensation based upon industry surveys and other relevant information. The Nominating and Corporate Governance Committee will then make its recommendation regarding director compensation to the Board.

Stock Ownership Guidelines

The Board encourages directors to be investors in the Company, as stock ownership in the Company aligns the interests of the directors with those of the Company's stockholders. Accordingly, each director is expected to own, no later than five years after his or her initial election to the Board, shares of the Company having a value of not less than five times the amount of the annual retainer paid by the Company to such director.

Board Committees

Management Development & Compensation Committee

- T. D. Growcock, Chair
- J. F. Earl
- S.E. Graham

Audit Committee

- J. M. Loree, Chair
- J. F. Earl
- H. W. Knueppel
- E. La Roche
- P.C. Widman

Nominating & Corporate Governance Committee

- K. G. Eddy, Chair
- E. La Roche
- J. M. Loree

Number, Structure and Jurisdiction

Currently there are three standing committees of the Board: Audit, Management Development and Compensation, and Nominating and Corporate Governance. The Board may establish other committees from time to time as circumstances dictate.

Appointment and Term Limits

The Nominating and Corporate Governance Committee in consultation with the Chairman will propose Committee and Committee chair assignments and changes thereto from time to time for Board approval, with the aim of matching talents to perceived needs and a stated goal of establishing three year terms for both Committee and Committee chair assignments, with the possibility of re-appointment for up to one additional three year term in each case. The Board recognizes the value of director expertise that provides continuity and develops through longevity in Committee service, but also recognizes that periodic rotation may be appropriate to give directors broad exposure to Committee issues.

Independence

The Audit, Management Development and Compensation, and Nominating and Corporate Governance Committees shall be composed of only members who qualify as “independent” directors under, and at all times meet any other requirements of, applicable law and listing standards.

Charters

Each standing committee shall have a written charter which shall be approved by the Board and state the purpose of such committee. Committee charters shall be reviewed on a regular basis to reflect the activities of each of the respective committees, changes in applicable law or regulations, and other relevant considerations. Proposed revisions to each committee charter shall be approved by the full Board.

- [Audit Committee Charter](#)
- [Nominating and Corporate Governance Committee Charter](#)
- [Management Development & Compensation Committee Charter](#)

Meetings

The calling of committee meetings and setting of agendas is within the prerogative of the Chairman of such committee, with the assistance of the Corporate Secretary.

Annual Performance Evaluations

The Audit, Management Development and Compensation, and Nominating and Governance Committees will each conduct an annual performance self-evaluation.

Contacting Board Members

Contacting Board Members

The Board supports and encourages stockholders and other interested parties to contact the Chairman, the independent directors as a group or any individual Board member with questions and comments they may have by any of the following methods:

- Writing the Chairman of the Board at the Harsco Corporate Headquarters (350 Poplar Church Road, Camp Hill, PA 17011).
- Writing to any individual Board member in care of the Harsco Corporate Secretary (350 Poplar Church Road, Camp Hill, PA 17011). The Corporate Secretary will forward any such correspondence to the appropriate Board member.
- E-mailing the Board at boardofdirectors@harsco.com

The Corporate Secretary will forward any such correspondence to the applicable director; provided, however, that any such correspondence that is considered by the Corporate Secretary to be improper for submission to the intended recipient will not be so provided. If appropriate, concerns relating to accounting, internal controls or auditing matters will be referred to the Audit Committee; compensation related matters will be referred to the Management Development and Compensation Committee; and inquiries relating to the director nominating process or the governance of the Company will be forwarded to the Nominating and Corporate Governance Committee. Other matters will be referred to the Board to determine the appropriate handling of the matter.

Your inquiries will be handled in confidence and you may contact the Board anonymously. Your contact will be acknowledged unless you choose to contact the Board anonymously.

CLAWBACK POLICY

Consistent with the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Board maintains a policy pursuant to which the Company and the Board reserve the right to recover (or “clawback”) from certain current and/or former key employees any wrongfully earned performance-based compensation, including stock-based awards, under the following circumstances:

- There is a restatement of Company financials due to material noncompliance with any financial reporting requirement;
- The Board determines that the current or former employee has willfully committed an act of fraud, dishonesty or recklessness in the performance of his or her duties that contributed to the noncompliance that resulted in the requirement to restate Company financials; and
- The cash incentive or performance-based equity compensation would have been less valuable than what was actually awarded or paid based upon the application of the correct financial results.

These provisions are designed to deter and prevent detrimental behavior and to protect our investors from financial misconduct.