

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **March 12, 2012**

HARSCO CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-03970

(Commission File Number)

23-1483991

(IRS Employer Identification No.)

350 Poplar Church Road, Camp Hill, Pennsylvania

(Address of Principal Executive Offices)

17011

(Zip Code)

Registrant's telephone number, including area code: **(717) 763-7064**

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events.

Changes to Executive Incentive Compensation Plan

In March 2012, Harsco Corporation (the “Company”) amended and restated the Company’s 1995 Executive Incentive Compensation Plan (the “Plan”), as authorized by the Company’s Board of Directors on January 24, 2012, to better align the Plan with corporate governance best practices. The Plan was principally amended as follows:

- to prohibit the repricing of underwater stock options and stock appreciation rights, including the purchase of underwater stock options for cash, without stockholder approval;
- to expressly prohibit transfers for value of incentive-based compensation awards to third parties;
- to expressly prohibit “reload options,” which are stock options that provide for automatic grants of additional stock options whenever exercised using shares of stock, rather than cash, to satisfy the exercise price;
- to require that future awards under the Plan will be subject to any clawback or recoupment policy adopted by the Company or implemented under the Dodd-Frank Wall Street Reform and Consumer Protection Act; and
- to revise the annual per person limit on equity awards granted to any participant to reflect the automatic adjustment to that limit resulting from the Company’s March 2007 two-for-one stock split.

The full text of the amended and restated Plan is attached hereto as Exhibit 10.1.

Adoption of Clawback Policy

Also in March 2012, as authorized by the Board of Directors on January 24, 2012, the Company adopted a compensation “clawback” policy (the “Policy”) for the recovery of compensation from its current or former executive officers under certain circumstances. Pursuant to the Policy, the Company will use reasonable efforts to recover any incentive-based compensation paid or granted to an executive officer (i) in the event of an accounting restatement due to material noncompliance by the Company with the financial reporting requirements of federal securities laws and (ii) where the willful fraud, dishonesty or recklessness of the executive officer contributed to such noncompliance, as determined by the Board of Directors. Under the Policy, the Company will seek to recover the difference between the amount of the incentive-based compensation received by the executive officer and the amount of incentive-based compensation such officer would have received had the amount been calculated based on the restated financial statements. The Policy is attached hereto as Exhibit 99.1.

Changes to Insider Trading Policy

In March 2012, the Company amended its Insider Trading Policy to prohibit its directors, officers and employees from engaging in hedging or monetization transactions involving the Company's securities, such as prepaid variable forward contracts, equity swaps, collars or exchange funds. The Company's Insider Trading Policy is attached hereto as Exhibit 99.2.

Item 9.01. Financial Statements and Exhibits.

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|---|
| 10.1 | Harsco Corporation 1995 Executive Incentive Compensation Plan, as amended and restated effective March 12, 2012 |
| 99.1 | Harsco Corporation Clawback Policy, effective March 12, 2012 |
| 99.2 | Harsco Corporation Insider Trading Policy, as amended and effective March 12, 2012 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HARSCO CORPORATION

Date: March 13, 2012

By: /s/ Mark E. Kimmel

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

EXHIBIT INDEX

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HARSCO CORPORATION**1995 EXECUTIVE INCENTIVE COMPENSATION PLAN
Amended and Restated March 12, 2012**

1. *Purposes.* The purposes of this 1995 Executive Incentive Compensation Plan (the “Plan”) of Harsco Corporation, a Delaware corporation (the “Company”), are to advance the interests of the Company and its stockholders by providing a means to attract, retain, and reward executive officers and other key employees of the Company and its subsidiaries, to link compensation to measures of the Company’s performance by providing for incentive awards to be settled in cash and/or stock in order to promote the creation of stockholder value, and to enable such employees to acquire or increase a proprietary interest in the Company in order to promote a closer identity of interests between such employees and the Company’s stockholders.

2. *Definitions.* The definitions of awards under the Plan, including Options, SARs (including Limited SARs), Restricted Stock, Deferred Stock, Stock granted as a bonus or in lieu of other awards, Dividend Equivalents, and Annual Incentive Awards are set forth in Section 6 of the Plan. Such awards, together with any other right or interest granted to a Participant under the Plan, are termed “Awards.” The definitions of terms relating to a Change in Control of the Company are set forth in Section 8 of the Plan. In addition to such terms and the terms defined in Section 1, the following terms shall be defined as set forth below:

(a) “*Award Agreement*” means any written agreement, contract, notice to a Participant, or other instrument or document evidencing an Award.

(b) “*Beneficiary*” means the person, persons, trust, or trusts which have been designated by a Participant in his or her most recent written beneficiary designation filed with the Committee to receive the benefits specified under this Plan upon such Participant’s death or to which Awards or other rights are transferred if and to the extent permitted under Section 9(b). If, upon a Participant’s death, there is no designated Beneficiary or surviving designated Beneficiary, then the term Beneficiary means person, persons, trust, or trusts entitled by will or the laws of descent and distribution to receive such benefits.

(c) “*Board*” means the Board of Directors of the Company.

(d) “*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(e) “*Committee*” means the Management Development and Compensation Committee of the Board, or such other Board committee as may be designated by the Board to administer the Plan. The composition and governance of the Committee shall be governed by the charter of the Committee, as approved by the Board from time to time.

(f) “*Exchange Act*” means the Securities Exchange Act of 1934, as amended from time to time. References to any provision of the Exchange Act include rules thereunder and successor provisions and rules thereto.

(g) “*Fair Market Value*” means, with respect to Stock, Awards, or other property, the fair market value of such Stock, Awards, or other property determined by such methods or procedures as shall be established from time to time by the Committee. Unless otherwise determined by the Committee, the Fair Market Value of Stock as of any given date means the average of the high and the low sale prices of a share of common stock, as reported by a reputable information service for such date or, if no such prices are reported for such date, on the most recent trading day prior to such date for which such prices were reported.

(h) “*ISO*” means any Option intended to be and designated as an incentive stock option within the meaning of section 422 of the Code.

(i) “*Participant*” means a person who, as an executive officer or key employee of the Company or a subsidiary, has been granted an Award under the Plan.

(j) “*Rule 16b-3*” means Rule 16b-3, as from time to time in effect and applicable to the Plan and Participants, promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act.

(k) “*Stock*” means the Common Stock, \$1.25 par value, of the Company and such other securities as may be substituted for Stock or such other securities pursuant to Section 4.

3. Administration.

(a) Authority of the Committee. The Plan shall be administered by the Committee. The Committee shall have full and final authority to take the following actions, in each case subject to and consistent with the provisions of the Plan:

- (i) to select Participants to whom Awards may be granted;
 - (ii) to determine the type or types of Awards to be granted to each Participant;
 - (iii) to determine the number of Awards to be granted, the number of shares of Stock to which an Award will relate, the terms and conditions of any Award granted under the Plan (including, but not limited to, any exercise price, grant price, or purchase price, any restriction or condition, any schedule or performance conditions for the lapse of restrictions or conditions relating to transferability, forfeiture, exercisability, or settlement of an Award, and waivers, accelerations, or modifications thereof, based in each case on such considerations as the Committee shall determine), and all other matters to be determined in connection with an Award;
 - (iv) to determine whether, to what extent, and under what circumstances an Award may be settled, or the exercise price of an Award may be paid, in cash, Stock, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;
 - (v) to determine whether, to what extent and under what circumstances cash, Stock, other Awards, or other property payable with respect to an Award will be deferred to the extent permitted under Section 409A of the Code either automatically, at the election of the Committee, or at the election of the Participant;
 - (vi) to prescribe the form of each Award Agreement, which need not be identical for each Participant;
 - (vii) to adopt, amend, suspend, waive, and rescind such rules and regulations and appoint such agents as the Committee may deem necessary or advisable to administer the Plan;
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- (viii) to correct any defect or supply any omission or reconcile any inconsistency in the Plan and to construe and interpret the Plan and any Award, rules and regulations, Award Agreement, or other instrument hereunder; and
- (ix) to make all other decisions and determinations as may be required under the terms of the Plan or as the Committee may deem necessary or advisable for the administration of the Plan.

(b) *Manner of Exercise of Committee Authority.* Unless authority is specifically reserved to the Board under the terms of the Plan, the Company's Certificate of Incorporation or Bylaws, or applicable law, the Committee shall have full discretion in exercising authority under the Plan; provided, however, that the Board may perform any function of the Committee under the Plan, in which case references to the "Committee" shall be deemed to include the Board. Any action of the Committee with respect to the Plan shall be final, conclusive, and binding on all persons, including the Company, subsidiaries of the Company, Participants, any person claiming any rights under the Plan from or through any Participant, and stockholders. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. The Committee may delegate to officers or managers of the Company or any subsidiary of the Company the authority, subject to such terms as the Committee shall determine, to perform administrative functions and such other functions of the Committee as the Committee may determine, to the fullest extent permitted under Section 157(c) and other applicable provisions of the Delaware General Corporation Law.

(c) *Limitation of Liability.* Each member of the Committee shall be entitled to, in good faith, rely or act upon any report or other information furnished to him by any officer or other employee of the Company or any subsidiary, the Company's independent certified public accountants, or any executive compensation consultant, legal counsel, or other professional retained by the Company to assist in the administration of the Plan. No member of the Committee, nor any officer or employee of the Company acting on behalf of the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Committee and any officer or employee of the Company acting on behalf of the Committee or members thereof shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action, determination, or interpretation.

4. *Stock Available Under Plan; Per-Person Award Limitations; Adjustments.*

(a) *Stock Reserved for Awards.* Subject to adjustment as hereinafter provided, the total number of shares of Stock reserved and available for delivery to Participants in connection with Awards under the Plan shall be 8,000,000.¹ No Award may be granted if the number of shares to which such Award relates, when added to the number of shares to which other then-outstanding Awards relate, exceeds the number of shares then remaining available for delivery under this Section 4. If all or any portion of an Award is forfeited, settled in cash, or otherwise terminated without delivery of shares to the Participant, the shares to which such Award or portion thereof related shall again be available for Awards under the Plan. The Committee may adopt procedures for the counting of shares relating to any Award to ensure appropriate counting and avoid double counting (in the case of tandem or substitute awards). Any shares of Stock delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued shares or treasury shares.

¹ Adjusted for the two-for-one stock split on February 14, 1997 and the two-for-one stock split on March 26, 2007.

(b) Annual Individual Limitations. During any calendar year, no Participant may be granted Options, SARs, Restricted Stock, Deferred Stock, and Stock as a bonus or in lieu of other awards under the Plan with respect to more than 300,000² shares of Stock. If a potential grant is authorized subject to performance conditions, this limit will apply at the time of such authorization rather than at the time of any resulting grant. In addition, the maximum value of any cash-denominated Annual Incentive Award that may be earned by satisfaction of performance conditions in any calendar year shall not exceed \$2,000,000³.

(c) Adjustments. In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Stock, or other property), recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event, affects the Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and kind of shares of Stock reserved and available for Awards under Section 4(a), (ii) the number and kind of shares of outstanding Restricted Stock or other outstanding Award in connection with which shares have been issued or transferred to Participants, (iii) the number and kind of shares that may be issued or delivered in respect of other outstanding Awards, (iv) the exercise price, grant price, or purchase price relating to any Award (or, if deemed appropriate, the Committee may make provision for a cash payment with respect to any outstanding Award), and (v) the number of shares with respect to which Awards may be granted to a Participant in any calendar year, as set forth in Section 4(b). In addition, the Committee is authorized to make adjustments in the terms and conditions of, and any performance goals and other criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, events described in the preceding sentence) affecting the Company or any subsidiary or the financial statements of the Company or any subsidiary, or in response to changes in applicable laws, regulations, or accounting principles. The foregoing notwithstanding, no adjustments shall be authorized under this Section 4(c) (i) with respect to ISOs or SARs in tandem therewith to the extent that such authority would cause the Plan to violate Section 422(b) (1) of the Code, (ii) with respect to Awards relating to Stock or Annual Incentive Awards to the extent that such authority would cause such Awards intended to qualify as “qualified performance-based compensation” under Section 162(m) (4) (C) of the Code and regulations thereunder to fail to so qualify, (iii) with respect to Awards that are considered “deferred compensation” within the meaning of Section 409A of the Code unless such adjustments are made in compliance with the requirements of Section 409A of the Code, and (iv) with respect to Awards that are not considered “deferred compensation” subject to Section 409A of the Code to the extent that such adjustments would cause such Awards to be subject to Section 409A of the Code.

5. Eligibility. Executive officers and other key employees of the Company and its subsidiaries, including any director or officer who is also such an employee, are eligible to be granted Awards under the Plan. The foregoing notwithstanding, no member of the Committee shall be eligible to be granted Awards under the Plan.

² Adjusted for the two-for-one stock split on March 26, 2007.

³ Approved by the shareholders at the Annual Meeting held on April 29, 1998.

6. Specific Terms of Awards.

(a) General. Awards may be granted on the terms and conditions set forth in this Section 6. In addition, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Section 9(e)), such additional terms and conditions not inconsistent with the provisions of the Plan, as the Committee shall determine, including terms requiring forfeiture of Awards in the event of termination of employment by the Participant or upon the occurrence of other events. Awards will be granted under the Plan in order to obtain for the Company and its subsidiaries the benefit of the services of Participants. The Committee may require the payment of other consideration for Awards, including in order to ensure that lawful consideration is paid for Stock in accordance with the Delaware General Corporation Law.

(b) Options. The Committee is authorized to grant Options to Participants on the following terms and conditions:

- (i) Exercise Price. The exercise price per share of Stock purchasable under an Option shall be determined by the Committee; provided, however, that such exercise price shall be not less than the Fair Market Value of a share on the date of grant of such Option.
 - (ii) Time and Method of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, the methods by which such exercise price may be paid or deemed to be paid, the form of such payment, including, without limitation, cash, Stock (including Stock deliverable upon exercise, if such withholding will not result in additional accounting expense to the Company), other Awards or awards granted under other Company plans, or other property (including through “cashless exercise” arrangements, to the extent permitted by applicable law), and the methods by which Stock will be delivered or deemed to be delivered to Participants; provided, however, that Participants shall be permitted to specify that Stock issued upon exercise of Options shall be registered in the name of a person other than the Participant.
 - (iii) Expiration Date of Options. No Option shall expire later than ten years after the date of its grant.
 - (iv) ISOs. The terms of any ISO granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, including but not limited to the requirement that no ISO shall be granted more than ten years after the effective date of the Plan.
- (c) Stock Appreciation Rights (“SARs”). The Committee is authorized to grant SARs to Participants on the following terms and conditions:
- (i) Right to Payment. An SAR shall confer on the Participant to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one share of Stock on the date of exercise, over (B) the grant price of the SAR as determined by the Committee as of the date of grant of the SAR, which shall be not less than the Fair Market Value of one share of Stock on the date of grant.
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- (ii) Other Terms. The Committee shall determine the time or times at which an SAR may be exercised in whole or in part, the method of exercise, method of settlement, form of consideration payable in settlement, method by which Stock will be delivered or deemed to be delivered to Participants, whether or not an SAR shall be in tandem with any other Award, and any other terms and conditions of any SAR. Limited SARs that may only be exercised upon the occurrence of a Change in Control (as such term is defined in Section 8(b) or as otherwise defined by the Committee) may be granted on such terms, not inconsistent with this Section 6(c), as the Committee may determine. Such Limited SARs may be either freestanding or in tandem with other Awards.
- (iii) Expiration Date of SARs. No SAR shall expire later than ten years after the date of its grant.
- (d) Restricted Stock. The Committee is authorized to grant Restricted Stock to Participants on the following terms and conditions:
- (i) Grant and Restrictions. Restricted Stock shall be subject to such restrictions on transferability and other restrictions, if any, as the Committee may impose, which restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, or otherwise as the Committee may determine; provided, however, that Restricted Stock the grant of which is not conditioned upon achievement of any performance objective shall be subject to a restriction on transferability and a risk of forfeiture for a period of not less than three years after the date of grant (except that the Committee may accelerate the lapse of such restrictions in the event of the Participant's termination of employment due to death, disability, normal or approved early retirement, or involuntary termination by the Company or a subsidiary without "cause," as defined by the Committee). Except to the extent restricted under the terms of the Plan and any Award Agreement relating to the Restricted Stock, a Participant granted Restricted Stock shall have all of the rights of a stockholder including, without limitation, the right to vote Restricted Stock or the right to receive dividends thereon.
- (ii) Forfeiture. Except as otherwise determined by the Committee, upon termination of employment during the applicable restriction period, Restricted Stock that is at that time subject to restrictions shall be forfeited and reacquired by the Company; provided, however, that the Committee may provide by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes, except as otherwise provided in Section 6(d)(i).
- (iii) Certificates for Stock. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the Participant, such certificates shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, the Company shall retain physical possession of the certificate, and the Participant shall have delivered a stock power to the Company, endorsed in blank, relating to the Restricted Stock.
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(iv) Dividends and Distributions. Dividends paid on Restricted Stock shall be either paid at the dividend payment date in cash or in shares of unrestricted Stock having a Fair Market Value equal to the amount of such dividends, or the payment of such dividends shall be deferred and/or the amount or value thereof automatically reinvested in additional Restricted Stock, other Awards, or other investment vehicles, as the Committee shall determine or permit the Participant to elect. To this end, the Committee may require or permit such dividends to be automatically reinvested through any dividend reinvestment plan or program of the Company, subject to such terms and conditions as the committee may specify. Stock distributed in connection with a Stock split or Stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property is distributed.

(e) Deferred Stock. The Committee is authorized to grant Deferred Stock to Participants, subject to the following terms and conditions:

(i) Award and Restrictions. Delivery of Stock will occur upon expiration of the deferral period specified for an Award of Deferred Stock by the Committee (or, if permitted by the Committee, as elected by the Participant.) In addition, Deferred Stock shall be subject to such restrictions as the Committee may impose, if any, which restrictions may lapse at the expiration of the deferral period or at earlier specified times, separately or in combination, under such circumstances, in such installments, or otherwise as the Committee may determine.

(ii) Forfeiture. Except as otherwise determined by the Committee, upon termination of employment during the applicable deferral period or portion thereof to which forfeiture conditions apply (as provided in the Award Agreement evidencing the Deferred Stock), all Deferred Stock that is at that time subject to such risk of forfeiture shall be forfeited; provided, however, that the Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Deferred Stock will be waived in whole or in part in the event of terminations resulting from specified causes. Deferred Stock subject to a risk of forfeiture may be called "restricted stock units" or otherwise designated by the Committee.

(f) Bonus Stock and Awards in Lieu of Cash Obligations. The Committee is authorized to grant Stock as a bonus, or to grant Stock or other Awards in lieu of Company obligations to pay cash under other plans or compensatory arrangements. Stock or Awards granted hereunder shall be subject to such other terms as shall be determined by the Committee.

(g) Dividend Equivalents. The Committee is authorized to grant Dividend Equivalents to a Participant, entitling the Participant to receive cash, Stock, other Awards, or other property equal in value to dividends paid with respect to a specified number of shares of Stock. Dividend Equivalents may be awarded on a freestanding basis or in connection with another Award. The Committee may provide that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional Stock, Awards, or other investment vehicles, and subject to such restrictions on transferability and risks of forfeiture, as the Committee may specify.

(h) Annual Incentive Awards. The Committee is authorized to grant Annual Incentive Awards, which Awards shall represent a conditional right to receive cash and/or Restricted Stock upon achievement of preestablished performance objectives, subject to the following terms and conditions:

- (i) Status of Awards Under Section 162(m) of the Code. It is the intent of the Company that Annual Incentive Awards under this Section 6(i) granted to persons who are “covered employees” within the meaning of Code Section 162(m) and regulations thereunder (including Proposed Regulation 1.162-27 until such time as successor proposed regulations or final regulations may be adopted) shall constitute “qualified performance-based compensation” within the meaning of Code Section 162(m) and regulations thereunder. Accordingly, this Section 6(i), and the definition of “covered employee” and other terms used herein, shall be interpreted in a manner consistent with Code Section 162(m) of the Code and regulations thereunder. The foregoing notwithstanding, because the Committee cannot determine with certainty whether a given Participant will be a “covered employee” with respect to a fiscal year that has not yet been completed, the term “covered employee” as used in this Section 6(i) shall mean only a person determined by the Committee, at the time of grant of an Annual Incentive Award, likely to be a “covered employee” with respect to that fiscal year.
- (ii) Grants of Annual Incentive Awards. If the Committee determines to grant Annual Incentive Awards with respect to any fiscal year, the Committee shall select the Participants to be granted such Awards and establish the performance objectives, amounts payable and other terms of settlement, and all other terms of such Awards. Such determinations by the Committee shall be made, in the case of any covered employee, not later than the end of the first quarter of that fiscal year or such earlier date as may be necessary to comply with Code Section 162(m) and regulations thereunder.
- (iii) Performance Objectives and Amounts Payable. The performance objectives relating to an Annual Incentive Award shall consist of (A) one or more business criteria, (B) minimum, targeted, and maximum levels of performance with respect to each such business criteria, and (C) amounts payable upon achievement of such levels of performance and at other levels of performance between the specified minimum and maximum levels, as specified by the Committee subject to this Section 6(i). In the case of persons determined by the Committee to be covered employees, performance objectives shall be objective and shall otherwise meet the requirements of Section 162(m) (4) (C) of the Code and regulations thereunder, and the business criteria used by the Committee in establishing performance objectives necessary to qualify the Award as “performance-based” under Section 162(m) shall be selected from among the following:
- (1) Annual return on capital or total shareholder return;
 - (2) Annual earnings per share;
 - (3) Annual cash flow provided by operations;
 - (4) Annual sales;
 - (5) Strategic business criteria, consisting of one or more objectives based on meeting specified sales, market penetration, geographic business expansion goals, cost targets, safety goals, goals relating to acquisitions or divestitures, research and development and product development goals;
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(6) Economic value-added measures; and/or⁴

(7) Price of the stock

The Committee may, in its discretion, specify business criteria other than those stated above in establishing business objectives for such Awards to Participants other than covered employees, but may not specify business criteria other than those stated above in establishing the business objectives necessary to qualify the Award as “performance-based” under Section 162(m) for such Awards to covered employees. The levels of performance required with respect to such business criteria may be expressed in absolute or relative levels. Achievement of performance objectives necessary to qualify the Award as “performance-based” under Section 162(m) with respect to such Awards shall be measured over a period of one year. Performance objectives may differ for such Awards to different Participants, including such Awards to different covered employees. The Committee shall specify the weighting to be given to each performance objective for purposes of determining the final amount payable with respect to any such Award.

- (iv) Payment of Cash and/or Restricted Stock in Settlement. The Committee shall specify whether and to what extent an Annual Incentive Award shall be settled in cash, in shares of Restricted Stock, or in a combination thereof. With respect to covered employees, the Committee shall specify the form or forms of settlement at the time of grant of such Award. If any Restricted Stock is awarded in settlement of such an Award, at least 50% of such Restricted Stock shall be subject to a restriction on transferability and a risk of forfeiture for a period extending until the end of the third fiscal year following the year to which such Award related (except that the Committee may accelerate the lapse of such restrictions in the event of the Participant’s termination of employment due to death, disability, normal or approved early retirement, or involuntary termination by the Company or a subsidiary without “cause,” as defined by the Committee). The Committee may specify additional or longer restrictions on transferability and risks of forfeiture with respect to such Restricted Stock.
- (v) Committee Determinations and Adjustments to Amounts Payable. As promptly as practicable following completion of the year or other period with respect to which performance objectives relating to Annual Incentive Awards are to be achieved, the Committee shall determine whether and to what extent such performance objectives have in fact been achieved. All such determinations by the Committee shall be made in writing. The Committee may, in its discretion, increase or reduce the amounts payable in settlement of such an Award after the date of grant and prior to settlement (including upon consideration by the Committee of other performance criteria), except that the Committee may not exercise discretion to increase the amounts payable in settlement of such an Award to a covered employee. The Committee may not delegate any responsibility under this Section 6(i).

⁴ Approved by the shareholders at the Annual Meeting held on April 24, 2001.

(i) Other Performance Awards. The Committee is authorized to grant Restricted Stock, Deferred Shares, and bonus Stock in the form of performance Awards. Such Awards may be authorized by the Committee, with the grant subject to achievement of performance objectives, or the Awards in the form of Restricted Stock or Deferred Shares may be granted with terms that require achievement of performance objectives as a condition of vesting, in whole or in part. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance objectives; provided that, in the case of persons determined by the Committee to be covered employees, performance objectives shall be objective and shall otherwise meet the requirements of Section 162(m) (4) (C) of the Code and regulations thereunder, and the business criteria used by the Committee in establishing performance objectives necessary to qualify the Award as “performance-based” under Section 162(m) shall be selected from among those set forth in Section 6(h)(iii). Performance Awards may measure performance over such period or periods as the Committee may select. Performance objectives may be established at such times as the Committee may select, except that in the case of Awards intended to qualify as “performance-based” under Section 162(m) the Committee shall establish the qualifying performance objectives by the deadline applicable under the Section 162(m) regulations. Determinations as to whether performance objectives have been met and performance Awards earned shall be made in writing and otherwise consistent with the requirements of Section 6(h)(v).

7. Certain Provisions Applicable to Awards.

(a) Stand-Alone, Additional, Tandem, and Substitute Awards. Awards granted under the Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or, in substitution for, any other Award granted under the Plan or any award granted under any other plan of the Company, any subsidiary, or any business entity to be acquired by the Company or a subsidiary, or any other right of a Participant to receive payment from the Company or any subsidiary, subject to Section 9(c) (limiting repricing transactions). Awards granted in addition to or in tandem with other Awards or awards may be granted either as of the same time as or a different time from the grant of such other Awards or awards.

(b) Term of Awards. The term of each Award shall be for such period as may be determined by the Committee, subject to Sections 6(b) (iii) and 6(c) (iii).

(c) Form of Payment Under Awards. Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Company or a subsidiary upon the grant or exercise of an Award may be made in such forms as the Committee shall determine, including without limitation, cash, Stock, other Awards, or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis. Such payments may include, without limitation, provisions for the payment or crediting or reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents in respect of installment or deferred payments denominated in Stock.

(d) Rule 16b-3 Compliance. It is the intent of the Company that grants and other acquisition transactions under this Plan shall be covered by exemptions under Rule 16b-3 under the Exchange Act in the case of a Participant who is subject to Section 16 of the Exchange Act, and therefore the Plan shall be construed and interpreted in a manner consistent with Rule 16b-3. Unless otherwise specified by the Participant or the Committee, equity securities or derivative securities acquired under the Plan which are disposed of by a Participant shall be deemed to be disposed of in the order acquired by the Participant.

(e) Awards to Participants Outside the United States. The Committee may modify the terms of any Award under the Plan made to or held by a Participant who is then resident or primarily employed outside of the United States in any manner deemed by the Committee to be necessary or appropriate in order that such Award shall conform to laws, regulations, and customs of the country in which the Participant is then resident or primarily employed, or so that the value and other benefits of the Award to the Participant, as affected by foreign tax laws and other restrictions applicable as a result of the Participant's residence or employment abroad, shall be comparable to the value of such an Award to a Participant who is resident or primarily employed in the United States. An Award may be modified under this Section 7(e) in a manner that is inconsistent with the express terms of the Plan, so long as such modifications will not contravene any applicable law or regulation or result in actual liability under Section 16(b) for the Participant whose Award is modified.

(f) Clawback and Recoupment Provisions. Awards granted under the Plan shall be subject to any clawback or recoupment provisions required under the Dodd-Frank Wall Street Reform and Consumer Protection Act and under any applicable policy of the Company providing for clawback or recoupment, subject to Section 9(e) in the case of Awards granted before January 24, 2012.

(g) No Reloads. No term of an Award shall provide for automatic "reload" grants of additional Awards upon exercise of an Option or SAR or otherwise as a term of an Award.

8. Change in Control Provisions.

(a) In the event of a "Change in Control," as defined in this Section, the following acceleration provisions shall apply, unless otherwise provided in the applicable Award Agreement (subject to Section 9(e)):

- (i) Any Award carrying a right to exercise that was not previously exercisable and vested shall become fully exercisable and vested, subject only to the restrictions set forth in Sections 7(d) (i) and 9(a); and
- (ii) In the case of any other type of Award, if it is not then subject to performance conditions, the restrictions, deferral of settlement, and forfeiture conditions applicable to such Award shall lapse and such Award shall be deemed fully vested, subject to the restrictions set forth in Sections 7(d) (i) and 9(a).
- (iii) In the case of any other type of Award then subject to performance conditions, the Award Agreement and other document(s) governing the Award shall specify whether and the extent to which the performance conditions will be deemed met and restrictions, deferral of settlement, and forfeiture conditions applicable to any other Award granted under the Plan shall lapse and the Award be deemed fully vested, subject to the restrictions set forth in Sections 7(d) (i) and 9(a).

(b) For purposes of the Plan, a "Change in Control" shall have occurred if:

- (i) Stock Acquisition. Any “person” (as such term is used in Section 13(d) and 14(d) (2) of the Exchange Act), other than the Company or a corporation a majority of whose outstanding stock entitled to vote is owned, directly or indirectly, by the Company, is or becomes, other than by purchase from the Company or such a corporation, the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company’s then outstanding voting securities. Such a Change in Control shall be deemed to have occurred on the first to occur of the business day immediately preceding the date securities are first purchased by a tender or exchange offer, or the date on which the Company first learns of the acquisition of 20% of such securities, or the earlier of the business day immediately preceding the effective date of an agreement for the merger, consolidation or other reorganization of the Company or the date of approval thereof by the stockholders of the Company, as the case may be.
- (ii) Change in Board. During any period of two consecutive years, individuals who at the beginning of such period were members of the Board of Directors, (and any new director whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved,) cease for any reason to constitute at least a majority of the Board of Directors. Such a Change in Control shall be deemed to have occurred on the date upon which the requisite majority of directors fails to be elected by the stockholders of the Company.
- (iii) Other Events. There occurs a change in control of the Company of a nature that would be required to be reported as such in response to Item 1(a) of the Current Report of Form 8-K pursuant to Section 13 or 15(d) of the Exchange Act, or any successor provision to such Item relating to a “change in control,” or in any other filing under the Exchange Act.

9. General Provisions.

(a) Compliance With Laws and Obligations. The Company shall not be obligated to issue or deliver Stock in connection with any Award or take any other action under the Plan in a transaction subject to the registration requirements of the Securities Act of 1933, as amended, or any other federal or state securities law, any requirement under any listing agreement between the Company and any national securities exchange or automated quotation system, or any other law, regulation, or contractual obligation of the Company, until the Company is satisfied that such laws, regulations, and other obligations of the Company have been complied with in full. Certificates representing shares of Stock delivered under the Plan will be subject to such stop-transfer orders and other restrictions as may be applicable under such laws, regulations, and other obligations of the Company, including any requirement that a legend or legends be placed thereon.

(b) Limitations on Transferability. Awards and other rights under the Plan, including any Award or right which constitutes a derivative security as generally defined in Rule 16a-1(c) under the Exchange Act, will not be transferable by a Participant except by will or the laws of descent and distribution (or to a designated Beneficiary in the event of the Participant’s death), and, if exercisable, shall be exercisable during the lifetime of a Participant only by such Participant or his guardian or legal representative; provided, however, that such Awards and other rights (other than ISOs and SARs in tandem therewith) may be transferred to one or more Beneficiaries during the lifetime of the Participant in connection with the Participant’s estate planning, and may be exercised by such transferees in accordance with the terms of such Award, but only if and to the extent (i) then consistent with the registration of the offer and sale of Stock on Form S-8 or a successor registration form of the Securities and Exchange Commission, (ii) that there will be no transfer of the Award to a third party for value, and (iii) permitted by the Committee. Awards and other rights under the Plan may not be pledged, mortgaged, hypothecated, or otherwise encumbered, and shall not be subject to the claims of creditors.

(c) No Right to Continued Employment. Neither the Plan nor any action taken hereunder shall be construed as giving any employee the right to be retained in the employ of the Company or any of its subsidiaries, nor shall it interfere in any way with the right of the Company or any of its subsidiaries to terminate any employee's employment at any time.

(d) Taxes. The Company and any subsidiary is authorized to withhold from any Award granted or to be settled, any delivery of Stock in connection with an Award, any other payment relating to an Award, or any payroll or other payment to a Participant amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Participant's tax obligations; in such case, the shares withheld shall be deemed to have been delivered for purposes of Section 4(a).

(e) Changes to the Plan and Awards. The Board may amend, alter, suspend, discontinue, or terminate the Plan or the Committee's authority to grant Awards under the Plan without the consent of stockholders or Participants, except that any such action shall be subject to the approval of the Company's stockholders at or before the next annual meeting of stockholders for which the record date is after such Board action if such stockholder approval is required by any federal or state law or regulation or the rules of any stock exchange or automated quotation system on which the Stock may then be listed or quoted, and the Board may otherwise, in its discretion, determine to submit other such changes to the Plan to stockholders for approval; provided, however, that, without the consent of an affected Participant, no such action may materially impair the rights of such Participant under any Award theretofore granted to him. The Committee may waive any conditions or rights under or amend, alter, suspend, discontinue, or terminate, any Award theretofore granted and any Award Agreement relating thereto; provided, however, that this authority does not override any express limitation in the Plan, so that the Committee may not waive any condition or right that would be mandatory under the Plan if the same Award were then being newly granted, and provided further, that, without the consent of an affected Participant, no such action may materially impair the rights of such Participant under such Award. Without the approval of stockholders, the Board and the Committee will not take action, including by means of an amendment to the Plan or an outstanding Award, that has the effect of amending or replacing a previously granted Option or SAR in a transaction that constitutes a "repricing," which for this purpose means any of the following or any other action that has the same effect:

- Lowering the exercise price of an Option or SAR after it is granted;
- Any other action that is treated as a repricing under generally accepted accounting principles;
- Canceling an Option or SAR at a time when its exercise price exceeds the fair market value of the underlying Stock, in exchange for another Option or SAR, restricted stock, other Awards, other equity, cash or other property;

provided, however, that the foregoing transactions shall not be deemed to be a repricing if pursuant to an adjustment authorized under Section 4(c).

(f) No Rights to Awards; No Stockholder Rights. No Participant or employee shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants and employees. No Award shall confer on any Participant any of the rights of a stockholder of the Company unless and until Stock is duly issued or transferred to the Participant in accordance with the terms of the Award or, in the case of an Option, the Option is duly exercised.

(g) Unfunded Status of Awards; Creation of Trusts. The Plan is intended to constitute an “unfunded” plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award shall give any such Participant any rights that are greater than those of a general creditor of the Company; provided, however, that the Committee may authorize the creation of trusts or make other arrangements to meet the Company’s obligations under the Plan to deliver cash, Stock, other Awards, or other property pursuant to any Award, which trusts or other arrangements shall be consistent with the “unfunded” status of the Plan unless the Committee otherwise determines with the consent of each affected Participant.

(h) Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other compensatory arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

(i) No Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(j) Compliance with Code Section 162(m). It is the intent of the Company that Options, SARs, Annual Incentive Awards, and other performance-based Awards granted under Section 6(i) to covered employees shall constitute “qualified performance-based compensation” within the meaning of Code Section 162(m) and regulations thereunder (including Proposed Regulation 1.162-27). Accordingly, if any provision of the Plan or any Award Agreement relating to such an Award does not comply or is inconsistent with the requirements of Code Section 162(m) or regulations thereunder, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements, and no provision shall be deemed to confer upon the Committee or any other person discretion to increase the amount of compensation otherwise payable in connection with any such Award upon attainment of the performance objectives.

(k) Governing Law. The validity, construction, and effect of the Plan, any rules and regulations under the Plan, and any Award Agreement will be determined in accordance with the Delaware General Corporation Law, to the extent applicable, other laws (including those governing contracts) of the Commonwealth of Pennsylvania, without giving effect to principles of conflicts of laws, and applicable federal law.

(l) Effective Date, Stockholder Approval, and Plan Termination. The Plan became effective on January 1, 1995, and was approved by stockholders on April 25, 1995. Unless earlier terminated by action of the Board of Directors, the Plan will remain in effect until such time as no Stock remains available for delivery under the Plan and the Company has no further rights obligations under the Plan with respect to outstanding Awards under the Plan.

10. Compliance with Section 409A of the Code.

(a) To the extent applicable, it is intended that this Plan and any Awards granted hereunder comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Participants. This Plan and any Awards granted hereunder shall be administered in a manner consistent with this intent. Any reference in this Plan to Section 409A of the Code will also include any regulations or any other formal guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

(b) Neither a Participant nor any of a Participant's creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under this Plan and Awards granted hereunder to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to a Participant or for a Participant's benefit under this Plan and Awards granted hereunder (i) may not be reduced by, or offset against, any amount owing by a Participant to the Company or any of its affiliates and (ii) may not be substituted or replaced by any amount payable by the Company or any of its affiliates to a Participant or for a Participant's benefit under this Plan or otherwise. Any Participant elections to defer the payment of Awards under the Plan shall be made in compliance with the requirements of Section 409A of the Code.

(c) If, at the time of a Participant's separation from service (within the meaning of Section 409A of the Code), (i) the Participant shall be a specified employee (within the meaning of Section 409A of the Code and as determined pursuant to procedures adopted by the Company in compliance with Section 409A of the Code), and (ii) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it on the first business day of the seventh month following such separation from service.

(d) Notwithstanding any provision of this Plan and Awards granted hereunder to the contrary, in light of the uncertainty with respect to the proper application of Section 409A of the Code, the Company reserves the right to make amendments to this Plan and grants hereunder as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A of the Code. In any case, a Participant shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with this Plan and Awards granted hereunder (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any of its affiliates shall have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes or penalties.

As recommended by the Management Development and Compensation Committee on November 14, 1994, approved by the Board of Directors on November 15, 1994, adopted by the Harsco Corporation stockholders on April 25, 1995 and amended by the stockholders April 29, 1998, April 24, 2001, and April 27, 2004, and as amended by authorization of the Board of Directors on January 24, 2012.

EXECUTED effective as of March 12, 2012.

/s/ Mark E. Kimmel

Mark E. Kimmel
General Counsel and Corporate Secretary

GLOBAL FINANCIAL ACCOUNTING, REPORTING
AND GENERAL MANUAL

TITLE: CLAWBACK POLICY

ISSUE DATE: 03-12-12

EFFECTIVE DATE: 3-12-12

REPLACES: NEW

ISSUED BY: MEK

AUTHORIZED BY: HWK

I. POLICY

This Clawback Policy (this “**Policy**”) has been adopted by the Board of Directors (the “**Board**”) of Harsco Corporation (the “**Company**”) and is effective as of March 12, 2012 (the “**Effective Date**”) in advance of the effective date of the final rules or regulations (“**Final Regulations**”) expected to be adopted by the U.S. Securities and Exchange Commission and the effective date of the listing requirements expected to be adopted by the New York Stock Exchange that would implement the incentive-based compensation recovery requirements set forth in Section 10D of the Securities Exchange Act of 1934 (the “**Exchange Act**”), as added by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

II. PROCEDURE

Recovery of Excessive Incentive-Based Compensation. In the event that following the Effective Date the Company is required to prepare an accounting restatement due to the Company’s material noncompliance with any financial reporting requirement under the U.S. federal securities laws (a “**Triggering Event**”), the Company will use reasonable efforts to recover, subject to the terms of this Policy, from any current or former Executive Officer of the Company (A) who was paid or granted Incentive-Based Compensation on or after the Effective Date and (B) whom the Board has determined has willfully committed an act of fraud, dishonesty or recklessness in the performance of his or her duties as an Executive Officer that contributed to the noncompliance that resulted in the Company’s obligation to prepare the accounting restatement (“**Misconduct**,” and each such current or former Executive Officer that the Board determines to have engaged in Misconduct, a “**Culpable Employee**”), all Excessive Incentive-Based Compensation.

CLAWBACK POLICY

- A. **Definitions.** For purposes of this Policy, the following terms have the meanings indicated, in addition to the other terms defined herein:
1. “**Executive Officer**” has the meaning ascribed thereto in Rule 3b-7 of the General Rules and Regulations under the Exchange Act, as in effect on the Effective Date.
 2. “**Excessive Incentive-Based Compensation**” means the amount of Incentive-Based Compensation paid or granted by the Company or any subsidiary of the Company to a Culpable Employee on or after the Effective Date in excess of what would have been paid or granted to that Culpable Employee under the circumstances reflected by the accounting restatement, but in no event will such Excessive Incentive-Based Compensation exceed the total amount of such Incentive-Based Compensation originally paid or granted to that Culpable Employee on or after the Effective Date.
 3. “**Incentive-Based Compensation**” means, with respect to a Culpable Employee:
(1) the amount of the Culpable Employee’s annual incentive awards paid under the Company’s annual cash incentive compensation program; (2) the performance-based equity awards (or any amount attributable to such awards) paid or granted to the Culpable Employee under the Company’s long-term incentive equity program; and (3) any other incentive-based compensation paid or granted in respect of Company and/or individual performance to a Culpable Employee pursuant to an “incentive plan,” as such term is defined in Item 402(a)(6)(iii) of Regulation S-K under the Exchange Act.
- B. **Process.** If the Board determines following the occurrence of a Triggering Event that one or more Culpable Employees have engaged in Misconduct, the Board, after considering the recommendations of the Management Development and Compensation Committee of the Board, will review each Culpable Employee’s Incentive-Based Compensation and, with respect to each Culpable Employee, will take prompt and reasonable action in accordance with this Policy to seek recovery of all Excessive Incentive-Based Compensation. There shall be no duplication of recovery under this Policy and any of 15 U.S.C. Section 7243 (Section 304 of the Sarbanes-Oxley Act of 2002) or Section 10D of the Exchange Act.
- C. **Interpretation of this Policy; Determinations by the Board.** The Board currently intends that this Policy will remain operative until the effective date of the Final Regulations. The Board may at any time in its sole discretion supplement or amend any provision of this Policy in any respect, repeal this Policy in whole or part or adopt a new policy relating to recovery of incentive-based compensation with such terms as the Board determines in its sole discretion to be appropriate. The Board has the exclusive power and authority to administer this Policy, including, without limitation, the right and power to
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CLAWBACK POLICY

interpret the provisions of this Policy and to make all determinations deemed necessary or advisable for the administration of this Policy, including, without limitation, any determination as to (a) whether a Triggering Event has occurred; (b) whether Misconduct has occurred; (c) whether any current or former Executive Officer is a Culpable Employee; and (d) what constitutes Excessive Incentive-Based Compensation. All such actions, interpretations and determinations that are taken or made by the Board in good faith will be final, conclusive and binding.

**GLOBAL FINANCIAL ACCOUNTING, REPORTING
AND GENERAL MANUAL****TITLE:** INSIDER TRADING POLICY**ISSUE DATE:** 03-12-12**EFFECTIVE DATE:** 03-12-12**REPLACES:** 06-01-06**ISSUED BY:** MEK**AUTHORIZED BY:** HWK

Introduction

The purchase or sale of securities while aware of material nonpublic information, or the disclosure of material nonpublic information to others who then trade in the Company's securities, is prohibited by the federal securities laws. Insider trading violations are pursued vigorously by the U.S. Securities and Exchange Commission ("SEC") and the U.S. Attorney General's office and are punished severely. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by company personnel.

The Company has adopted this Insider Trading Policy both to satisfy the Company's obligation to prevent insider trading and to help Company personnel avoid the severe consequences associated with violations of the insider trading laws. The Insider Trading Policy also is intended to prevent even the appearance of improper conduct on the part of anyone employed by or associated with the Company (not just so-called insiders).

The Consequences

The consequences of an insider trading violation can be severe:

Traders and Tippees. Company personnel (or their tippees) who trade while in possession of inside information are subject to the following penalties:

- A criminal fine of up to \$5,000,000 (no matter how small the profit);
 - A jail term of up to twenty years;
 - Civil injunctions;
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- Disgorgement of profits;
- Civil fines for the person who committed the violation of up to three times the profit gained or loss avoided, whether or not the person actually benefited; and
- Criminal penalties of up to twenty-five years in prison for knowingly executing a “scheme or artifice to defraud any person” in connection with any registered securities.

An employee who tips information to a person who then trades is subject to the same penalties as the tippee, even if the employee did not trade and did not profit from the tippee's trading.

Control Persons. The Company and its supervisory personnel, if they fail to take appropriate steps to prevent illegal insider trading or knew or recklessly disregarded the fact that an employee or other person associated with the Company was likely to engage in insider trading violations, are subject to the following penalties:

- A civil penalty of up to \$1,000,000 or, if greater, three times the profit gained or loss avoided as a result of the employee's violation; and
- A criminal penalty of up to \$25,000,000 dollars.

Company-Imposed Sanctions. An employee's failure to comply with the Company's insider trading policy may subject the employee to Company-imposed sanctions, including dismissal for cause, whether or not the employee's failure to comply results in a violation of law. Needless to say, a violation of law, or even an SEC investigation that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

General Restrictions

It is the policy of the Company that no director, officer or other employee of the Company who is aware of material nonpublic information relating to the Company may, directly or through family members or other persons or entities, (a) buy or sell securities of the Company (other than pursuant to a pre-approved trading plan that complies with SEC Rule 10b5-1), or engage in any other action to take personal advantage of that information, or (b) pass that information on to others outside the Company, including family and friends. In addition, it is the policy of the Company that no director, officer or other employee of the Company who, in the course of working for the Company, learns of material nonpublic information about a company with which the Company does business, including a customer or supplier of the Company, may trade in that company's securities until the information becomes public or is no longer material.

The securities laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

INSIDER TRADING POLICY

Disclosure of Information to Others. The Company is required under Regulation FD (Fair Disclosure) of the federal securities laws to avoid the selective disclosure of material nonpublic information. The Company has issued a policy for releasing material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release. You may not, therefore, disclose information to anyone outside the Company, including family members and friends, other than in accordance with those procedures. The guidelines are outlined in the Investment Community Information Disclosure Guidelines Policy and Procedure.

Material Information. Material information is any information that a reasonable investor would consider important in making a decision to buy, hold, or sell securities. Any information that could be expected to affect the Company's stock price, whether it is positive or negative, should be considered material. Some examples of information that ordinarily would be regarded as material are:

- Projections of future earnings or losses, or other earnings guidance;
- Earnings that are inconsistent with the consensus expectations of the investment community;
- A significant pending or proposed merger, acquisition or tender offer;
- A pending or proposed acquisition or disposition of a significant asset;
- A change in dividend policy, the declaration of a stock split, or an offering of additional securities;
- A change in senior management;
- Development of a significant new product or process;
- Impending bankruptcy or the existence of severe liquidity problems;
- Financial results that have not yet been published;
- Significant regulatory proceedings and governmental investigations involving the Company; and
- The gain or loss of a significant customer or supplier.

The above list is only illustrative; many other types of information may be considered "material," depending on the circumstances. The materiality of particular information is subject to reassessment on a regular basis. When in doubt, please contact the General Counsel.

Twenty-Twenty Hindsight. Remember, anyone scrutinizing your transactions will be doing so after the fact, with the benefit of hindsight. As a practical matter, before engaging in any transaction, you should carefully consider how enforcement authorities and others might view the transaction in hindsight.

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When Information is "Public". If you are aware of material nonpublic information, you may not trade until the information has been disclosed broadly to the marketplace (such as by press release or an SEC filing) and the investing public has had time to absorb the information fully. To avoid the appearance of impropriety, as a general rule, information should not be considered fully absorbed by the marketplace until noon on the second business day after the information is released. If, for example, the Company were to make an announcement at the close of business on a Monday, you should not trade in the Company's securities until noon on Wednesday. If an announcement were made at the close of business on a Friday, noon on Tuesday generally would be the first eligible trading day. Note that this restriction is in addition to any other restrictions that apply under this policy, including the requirement that trades be pre-cleared (see below).

Transactions by Family Members. The Insider Trading Policy also applies to your family members who reside with you, anyone else who lives in your household, and any family members who do not live in your household but whose transactions in company securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in company securities). It also applies to partnerships in which you are a general partner, corporations in which you either singly or together with other "related persons" own a controlling interest, trusts or which you are a trustee, settler or beneficiary, estates of which you are an executor or beneficiary, or any other group or entity where the insider has or shares with others the power to decide whether to buy Company stock. You are responsible for the transactions of these other persons and therefore should make them aware of the need to confer with you before they trade in the Company's securities.

Transactions Under Company Plans

Stock Option Exercises. The prohibitions of the policy apply to any sale of stock as part of a broker-assisted cashless exercise of an option, and any other market sale for the purpose of generating the cash needed to pay the exercise price of an option. However, the Company's insider trading policy does not apply solely to the exercise of an employee stock option, or to solely the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares subject to an option to satisfy tax withholding requirements, provided that a sale is not coupled with such exercise.

401(k) Plan. The Company's Insider Trading Policy does not apply to purchases of Company stock in the 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. The policy does apply, however, to certain elections you may make under the 401(k) plan, including (a) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund,

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(b) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund, (c) an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance, and (d) your election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

Dividend Reinvestment Plan. The Company's Insider Trading Policy does not apply to purchases of Company stock under the Company's dividend reinvestment plan resulting from your reinvestment of dividends paid on Company securities. The policy does apply, however, to voluntary purchases of Company stock resulting from additional contributions you choose to make to the plan, and to your election to participate in the plan or increase your level of participation in the plan. The policy also applies to your sale of any Company stock purchased pursuant to the plan.

Additional Prohibited Transactions

The Company considers it improper and inappropriate for any director, officer or other employee of the Company to engage in short-term or speculative transactions in the Company's securities. It therefore is the Company's policy that directors, officers and other employees may not engage in any of the following transactions:

Short-term Trading. An employee's short-term trading of the Company's securities may be distracting to the employee and may unduly focus the employee on the Company's short-term stock market performance instead of the Company's long-term business objectives. For these reasons, any director, officer or other employee of the Company who purchases Company securities in the open market may not sell any company securities of the same class during the six months following the purchase. Likewise, any director, officer or other employee of the Company who sells Company securities in the open market may not purchase any Company securities of the same class during the six months following this sale.

Short Sales. Short sales of the Company's securities are prohibited by this Policy Statement. In addition, Section 16(c) of the Exchange Act prohibits officers and directors from engaging in short sales.

Publicly Traded Options. Transactions in puts, calls or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy Statement. (Option positions arising from certain types of hedging transactions are governed by the section below captioned "Hedging Transactions.")

Hedging Transactions. Certain forms of hedging or monetization transactions, such as prepaid variable forward contracts, equity swaps, collars or exchange

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funds, enable a securityholder to lock in much of the value of his or her holdings. These transactions are designed so that the securityholder may continue to own his or her securities without the full risks and rewards of ownership, such as the potential of upside appreciation. If a director, officer or employee of the Company were to enter into such a transaction, his or her interests could become misaligned with the interests of the Company's other securityholders. For this reason, transactions involving hedging or monetization with respect to the Company's securities are prohibited by this Policy Statement.

Margin Accounts and Pledges. Securities held in a margin account and securities pledged (or hypothecated) as collateral for a loan may be sold without the knowledge of the insider and therefore are prohibited under this Policy. An exception to this prohibition may be granted where a person wishes to pledge Company securities as collateral for a loan (not including margin debt) and clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. Any person who wishes to pledge Company securities as collateral for a loan must submit a request for approval to the General Counsel at least one week prior to the proposed execution of documents evidencing the proposed pledge.

Pre-clearance Procedures

To help prevent inadvertent violations of the federal securities laws and to avoid even the appearance of trading on inside information the following individuals together with their family members ("Restricted Individuals"), may not engage in certain transactions without the prior clearance of the transaction from the General Counsel:

- directors,
- corporate officers,
- divisional officers,
- Key Leadership Team Members,
- director-level employees at the Corporate Headquarters,
- Controller's Department employees employed at the Corporate Headquarters and,
- any other persons designated by the General Counsel.

The transactions which Restricted Individuals may not engage in include any transaction involving the Company's securities (including a stock plan transaction such as an option exercise, gift, loan or pledge or hedge, contribution to a trust, or any other transfer). Request for approval must be submitted to the General Counsel at least two days in advance of the proposed transaction. The General Counsel is under no obligation to approve a trade submitted for pre-clearance, and may determine not to permit the trade.

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Rule 10b5-1 Plans. Any person who wishes to implement a trading plan under SEC Rule 10b5-1 must first pre-clear the plan with the General Counsel. As required by Rule 10b5-1, you may enter into a binding contract, or instruction, or a trading plan only when you are not in possession of material nonpublic information. In addition, you may not enter into a trading plan during a blackout period. Transactions effected pursuant to a pre-cleared trading plan will not require further pre-clearance at the time of the transaction if the plan specifies the dates, prices and amounts of the contemplated trades, or establishes a formula for determining the dates, prices and amounts. To comply with Rule 10b5-1, you must not exercise any subsequent discretion affecting the transactions, and if your broker or any other person exercises discretion in implementing the trades, you must not influence his or her actions and he or she must not possess any material non-public information at the time of the trades. Trading plans can be established for a single trade or a series of trades.

It is important that you document the details of a trading plan properly. Please note that, in addition to the requirements of a trading plan described above, there are a number of additional procedural conditions to Rule 10b5-1(c) that must be satisfied before you can rely on a trading plan as an affirmative defense against an insider trading charge. These requirements include that you act in good faith, that you not modify your trading instructions while you possess material non-public information and that you not enter into or alter a corresponding or hedging transaction or position. Because this rule is complex, the Company recommends that you work with a broker and the General Counsel and be sure you fully understand the limitations and conditions of the rule before you establish a trading plan.

Blackout Periods

Quarterly Blackout Periods. The Company's announcement of its quarterly financial results almost always has the potential to have a material effect on the market for the Company's securities. Therefore, to avoid even the appearance of trading while aware of material nonpublic information, Restricted Individuals will not be pre-cleared to trade in the Company's securities during the period beginning two weeks prior to the end of the Company's fiscal quarter and ending on noon of the second business day following the Company's issuance of its quarterly earnings release.

The Company may on occasion issue interim earnings guidance or other potentially material information by means of a press release, SEC filing on Form 8-K or other means designed to achieve widespread dissemination of the information. Restricted Individuals are unlikely to be pre-cleared while the Company is in the process of assembling the information to be released and until the information has been released and fully absorbed by the market.

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Event-specific Blackout Periods. From time to time, an event may occur that is material to the Company and is known by only a few directors or executives. So long as the event remains material and nonpublic, directors, executive officers, and such other persons as are designated by the General Counsel may not trade in the Company's securities. The existence of an event-specific blackout will not be announced, other than to those who are aware of the event giving rise to the blackout. If, however, a person whose trades are subject to pre-clearance requests permission to trade in the Company's securities during an event-specific blackout, the General Counsel will inform the requester of the existence of a blackout period, without disclosing the reason for the blackout. Any person made aware of the existence of an event-specific blackout should not disclose the existence of the blackout to any other person. The failure of the General Counsel to designate a person as being subject to an event-specific blackout will not relieve that person of the obligation not to trade while aware of material nonpublic information.

Miscellaneous

No Circumvention

No circumvention of this policy is permitted. Do not try to accomplish indirectly what is prohibited directly by this policy. The short-term benefits to an individual cannot outweigh the potential liability that may result when an employee is involved in the illegal trading of securities.

Amendments, Waivers

The Board of Directors of the Company reserves the right to amend this policy at any time. The Board of Directors of the Company, a committee of the Board, and, in some circumstances, their designees, may grant a waiver of this policy on a case-by-case basis, but only under special circumstances.

Trade Reversals

Should any individual violate any aspect of this Policy, the Company will take actions to reverse the execution of the stock option trade and the individual shall be responsible for any and all costs and losses that may be incurred.

Power of Attorney

In order to enable the company to prepare and file the Forms 4 or other SEC required documents on a timely basis, certain directors and officers will be asked to sign and return a company prepared power of attorney.

Post-Termination Transactions.

This Insider Trading Policy continues to apply to your transactions in Company securities even after you have terminated employment. If you are in possession of material nonpublic information when your employment terminates, you may not trade in Company securities until that information has become public or is no longer material.

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Company Assistance.

Any person who has a question about this Insider Trading Policy or its application to any proposed transaction may obtain additional guidance from the General Counsel. Ultimately, however, the responsibility for adhering to this Insider Trading Policy and avoiding unlawful transactions rests with the individual employee.

Employee Obligation.

All employees will be provided a copy of this Insider Trading Policy and are expected to read and understand their obligations under this Policy. If you have any questions regarding your obligations under this Policy, you should immediately contact the General Counsel to obtain clarification. Ignorance is not an excuse for non-compliance.