

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended **March 31, 2016**
or

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

For the transition period from to
Commission File Number **001-03970**

HARSCO

HARSCO CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

23-1483991

(I.R.S. employer identification number)

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**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class

Outstanding at April 29, 2016

Common stock, par value \$1.25 per share

80,097,958

HARSCO CORPORATION
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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**HARSCO CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)**

(In thousands)	March 31 2016	December 31 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 70,405	\$ 79,756
Trade accounts receivable, net	252,660	254,877
Other receivables	19,458	30,395
Inventories	233,335	216,967
Other current assets	75,537	82,527
Total current assets	651,395	664,522
Investments	230,003	252,609
Property, plant and equipment, net	555,786	564,035
Goodwill	402,659	400,367
Intangible assets, net	50,573	53,043
Other assets	115,116	126,621
Total assets	\$ 2,005,532	\$ 2,061,197
LIABILITIES		
Current liabilities:		
Short-term borrowings	\$ 61,314	\$ 30,229
Current maturities of long-term debt	28,238	25,084
Accounts payable	119,616	136,018
Accrued compensation	36,122	38,899
Income taxes payable	4,919	4,408
Dividends payable	—	4,105
Insurance liabilities	12,181	11,420
Advances on contracts	101,974	107,250
Due to unconsolidated affiliate	7,694	7,733
Unit adjustment liability	5,841	22,320
Other current liabilities	126,552	118,657
Total current liabilities	504,451	506,123
Long-term debt	798,478	845,621
Deferred income taxes	13,825	12,095
Insurance liabilities	29,874	30,400
Retirement plan liabilities	225,340	241,972
Due to unconsolidated affiliate	13,906	13,674
Unit adjustment liability	56,861	57,614
Other liabilities	40,464	42,895
Total liabilities	1,683,199	1,750,394
COMMITMENTS AND CONTINGENCIES		
HARSCO CORPORATION STOCKHOLDERS' EQUITY		
Preferred stock	—	—
Common stock	140,503	140,503
Additional paid-in capital	172,174	170,699
Accumulated other comprehensive loss	(496,312)	(515,688)
Retained earnings	1,225,486	1,236,355
Treasury stock	(760,299)	(760,299)
Total Harsco Corporation stockholders' equity	281,552	271,570
Noncontrolling interests	40,781	39,233
Total equity	322,333	310,803
Total liabilities and equity	\$ 2,005,532	\$ 2,061,197

See accompanying notes to unaudited condensed consolidated financial statements.

HARSCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(In thousands, except per share amounts)	Three Months Ended March 31	
	2016	2015
Revenues from continuing operations:		
Service revenues	\$ 225,494	\$ 287,428
Product revenues	127,787	164,151
Total revenues	353,281	451,579
Costs and expenses from continuing operations:		
Cost of services sold	189,817	245,861
Cost of products sold	93,244	115,221
Selling, general and administrative expenses	50,784	63,902
Research and development expenses	882	919
Other (income) expenses	9,123	(13,205)
Total costs and expenses	343,850	412,698
Operating income from continuing operations	9,431	38,881
Interest income	535	256
Interest expense	(12,363)	(11,884)
Change in fair value to the unit adjustment liability and loss on dilution of equity method investment	(12,217)	(2,245)
Income (loss) from continuing operations before income taxes and equity income	(14,614)	25,008
Income tax benefit (expense)	2,166	(12,855)
Equity in income of unconsolidated entities, net	3,175	4,083
Income (loss) from continuing operations	(9,273)	16,236
Discontinued operations:		
Loss on disposal of discontinued business	(506)	(646)
Income tax benefit related to discontinued business	187	239
Loss from discontinued operations	(319)	(407)
Net income (loss)	(9,592)	15,829
Less: Net income attributable to noncontrolling interests	(1,277)	(565)
Net income (loss) attributable to Harsco Corporation	\$ (10,869)	\$ 15,264
Amounts attributable to Harsco Corporation common stockholders:		
Income (loss) from continuing operations, net of tax	\$ (10,550)	\$ 15,671
Loss from discontinued operations, net of tax	(319)	(407)
Net income (loss) attributable to Harsco Corporation common stockholders	\$ (10,869)	\$ 15,264
Weighted-average shares of common stock outstanding	80,238	80,240
Basic earnings (loss) per common share attributable to Harsco Corporation common stockholders:		
Continuing operations	\$ (0.13)	\$ 0.20
Discontinued operations	—	(0.01)
Basic earnings (loss) per share attributable to Harsco Corporation common stockholders	\$ (0.14)^(a)	\$ 0.19
Diluted weighted-average shares of common stock outstanding	80,238	80,352
Diluted earnings (loss) per common share attributable to Harsco Corporation common stockholders:		
Continuing operations	\$ (0.13)	\$ 0.20
Discontinued operations	—	(0.01)
Diluted earnings (loss) per share attributable to Harsco Corporation common stockholders	\$ (0.14)^(a)	\$ 0.19
Cash dividends declared per common share	\$ —	\$ 0.205

(a) Does not total due to rounding.

See accompanying notes to unaudited condensed consolidated financial statements.

HARSCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

(In thousands)	Three Months Ended	
	March 31	
	2016	2015
Net income (loss)	\$ (9,592)	\$ 15,829
Other comprehensive income:		
Foreign currency translation adjustments, net of deferred income taxes of \$(3,577) and \$(1,650) in 2016 and 2015, respectively	11,621	(28,842)
Net gain (loss) on cash flow hedging instruments, net of deferred income taxes of \$14 and \$(1,522) in 2016 and 2015, respectively	(2,407)	7,574
Pension liability adjustments, net of deferred income taxes of \$(1,574) and \$(3,091) in 2016 and 2015, respectively	10,440	25,293
Unrealized loss on marketable securities, net of deferred income taxes of \$4 in both 2016 and 2015	(7)	(8)
Total other comprehensive income	19,647	4,017
Total comprehensive income	10,055	19,846
Less: Comprehensive (income) loss attributable to noncontrolling interests	(1,548)	199
Comprehensive income attributable to Harsco Corporation	\$ 8,507	\$ 20,045

See accompanying notes to unaudited condensed consolidated financial statements.

HARSCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)	Three Months Ended March 31	
	2016	2015
Cash flows from operating activities:		
Net income (loss)	\$ (9,592)	\$ 15,829
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation	33,081	36,654
Amortization	2,964	3,237
Change in fair value to the unit adjustment liability and loss on dilution of equity method investment	12,217	2,245
Deferred income tax expense	(567)	2,629
Equity in income of unconsolidated entities, net	(3,175)	(4,083)
Dividends from unconsolidated entities	16	—
Other, net	(9,875)	(9,612)
Changes in assets and liabilities:		
Accounts receivable	15,952	(20,151)
Inventories	(12,408)	(19,496)
Accounts payable	(15,851)	5,775
Accrued interest payable	6,668	6,828
Accrued compensation	(3,777)	(9,019)
Advances on contracts	(8,995)	8,693
Harsco 2011/2012 Restructuring Program accrual	—	(188)
Other assets and liabilities	(9,633)	(8,868)
Net cash provided (used) by operating activities	(2,975)	10,473
Cash flows from investing activities:		
Purchases of property, plant and equipment	(16,951)	(31,630)
Proceeds from sales of assets	2,819	6,781
Purchases of businesses, net of cash acquired	(26)	(6,828)
Payment of unit adjustment liability	—	(5,580)
Other investing activities, net	5,427	2,360
Net cash used by investing activities	(8,731)	(34,897)
Cash flows from financing activities:		
Short-term borrowings, net	(366)	4,898
Current maturities and long-term debt:		
Additions	29,010	52,039
Reductions	(42,921)	(5,147)
Cash dividends paid on common stock	(4,105)	(16,443)
Common stock acquired for treasury	—	(12,143)
Proceeds from cross-currency interest rate swap termination	16,625	—
Deferred financing costs	(894)	(2,049)
Net cash provided (used) by financing activities	(2,651)	21,155
Effect of exchange rate changes on cash	5,006	6,975
Net increase (decrease) in cash and cash equivalents	(9,351)	3,706
Cash and cash equivalents at beginning of period	79,756	62,843
Cash and cash equivalents at end of period	\$ 70,405	\$ 66,549

See accompanying notes to unaudited condensed consolidated financial statements.

HARSCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (Unaudited)

(In thousands, except share amounts)	Harsco Corporation Stockholders' Equity						
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Issued	Treasury					
Balances, January 1, 2015	\$ 140,444	\$ (749,815)	\$ 165,666	\$ 1,283,549	\$ (532,256)	\$ 44,322	\$ 351,910
Net income				15,264		565	15,829
Cash dividends declared:							
Common				(16,348)			(16,348)
Total other comprehensive income (loss), net of deferred income taxes of \$(6,259)					4,781	(764)	4,017
Contributions from noncontrolling interests						2,100	2,100
Vesting of restricted stock units and other stock grants, net 23,962 shares	45	(192)	(81)				(228)
Treasury shares repurchased, 596,632 shares		(10,220)					(10,220)
Amortization of unearned portion of stock-based compensation, net of forfeitures			761				761
Balances, March 31, 2015	\$ 140,489	\$ (760,227)	\$ 166,346	\$ 1,282,465	\$ (527,475)	\$ 46,223	\$ 347,821

(In thousands)	Harsco Corporation Stockholders' Equity						
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Issued	Treasury					
Balances, January 1, 2016	\$ 140,503	\$ (760,299)	\$ 170,699	\$ 1,236,355	\$ (515,688)	\$ 39,233	\$ 310,803
Net income (loss)				(10,869)		1,277	(9,592)
Total other comprehensive income, net of deferred income taxes of \$(5,133)					19,376	271	19,647
Amortization of unearned portion of stock-based compensation, net of forfeitures			1,475				1,475
Balances, March 31, 2016	\$ 140,503	\$ (760,299)	\$ 172,174	\$ 1,225,486	\$ (496,312)	\$ 40,781	\$ 322,333

See accompanying notes to unaudited condensed consolidated financial statements.

HARSCO CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Basis of Presentation

Harsco Corporation (the “Company”) has prepared these unaudited condensed consolidated financial statements based on Securities and Exchange Commission rules that permit reduced disclosure for interim periods. In the opinion of management, all adjustments (all of which are of a normal recurring nature) that are necessary for a fair statement are reflected in the unaudited condensed consolidated financial statements. The December 31, 2015 Condensed Consolidated Balance Sheet information contained in this Quarterly Report on Form 10-Q was derived from the 2015 audited consolidated financial statements, but does not include all disclosures required by accounting principles generally accepted in the U.S. (“U.S. GAAP”) for an annual report. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements, including the notes thereto, included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015.

Operating results and cash flows for the three months ended March 31, 2016 are not indicative of the results that may be expected for the year ending December 31, 2016.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform with current year classifications.

2. Recently Adopted and Recently Issued Accounting Standards

The following accounting standards have been adopted in 2016:

On January 1, 2016, the Company adopted changes issued by the Financial Accounting Standards Board (“FASB”) related to reporting extraordinary and unusual items. The changes simplified income statement presentation by eliminating the concept of extraordinary items. The changes became effective for the Company on January 1, 2016. The adoption of these changes did not have an impact on the Company’s condensed consolidated financial statements.

On January 1, 2016, the Company adopted changes issued by the FASB related to consolidation. The changes updated consolidation analysis and affected reporting entities that are required to evaluate whether they should consolidate certain legal entities. The changes became effective for the Company on January 1, 2016. The adoption of these changes did not have a material impact on the Company’s condensed consolidated financial statements.

On January 1, 2016, the Company adopted changes issued by the FASB related to simplifying the presentation of debt issuance costs. The changes required that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct reduction from the carrying amount of that debt liability. In August 2015, the FASB added guidance about the presentation and subsequent measurement of debt issuance costs associated with line-of-credit arrangements. The changes became effective for the Company on January 1, 2016. The adoption of these changes resulted in the reclassification of approximately \$10 million in deferred financing costs from Other assets to Long-term debt on the Company’s consolidated balance sheets for all periods presented.

On January 1, 2016, the Company adopted changes issued by the FASB related to the determination of whether a cloud computing arrangement includes a software license. If a cloud computing arrangement is determined to include a software license, then the customer accounts for the software license element consistent with the acquisition of other software licenses. If the arrangement is determined not to contain a software license, the customer should account for the arrangement as a service contract. The changes became effective for the Company on January 1, 2016. The adoption of these changes did not have a material impact on the Company’s condensed consolidated financial statements.

On January 1, 2016, the Company adopted changes issued by the FASB simplifying the accounting for measurement period adjustments for business combinations. The changes resulted in an acquirer no longer being required to retrospectively reflect adjustments to provisional amounts during the measurement period as if they were recognized as of the acquisition date. Instead the acquirer would record the effect of the change to the provisional amounts during the measurement period in which the adjustment is identified. The changes also required additional disclosure related to such measurement period adjustments. The changes became effective for the Company on January 1, 2016. The adoption of these changes did not have an impact on the Company’s condensed consolidated financial statements; however in the future will have an effect on how the Company reports adjustments to provisional amounts during the measurement period.

The following accounting standards have been issued and become effective for the Company at a future date:

In May 2014, the FASB issued changes related to the recognition of revenue from contracts with customers. The changes clarify the principles for recognizing revenue and develop a common revenue standard. The core principle of the changes is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The changes also require additional disclosures related to revenue recognition. In July 2015, the FASB deferred the effective date of these changes by one year, but will permit entities to adopt one year earlier. In March 2016, the FASB amended and clarified certain matters related to principal-versus-agent considerations. The changes become effective for the Company on January 1, 2018. Management is currently evaluating these changes.

In August 2014, the FASB issued changes related to management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The changes become effective for the Company for the annual period ending December 31, 2016 and interim periods thereafter. Management has evaluated these changes and does not expect these changes will have a material impact on the Company's condensed consolidated financial statements.

In July 2015, the FASB issued changes related to the simplification of the measurement of inventory. The changes require entities to measure most inventory at the lower of cost and net realizable value, thereby simplifying the current guidance under which an entity must measure inventory at the lower of cost or market. The changes do not apply to inventories that are measured using either the last-in, first-out method or the retail inventory method. The changes become effective for the Company on January 1, 2017. Management has determined that these changes will not have a material impact on the Company's condensed consolidated financial statements.

In November 2015, the FASB issued changes that require deferred tax assets and liabilities to be classified as noncurrent in a classified statement of financial position. The changes apply to all entities that present a classified statement of financial position. The current requirement that deferred tax assets and liabilities of a tax-paying component of an entity be offset and presented as a single amount is not affected. The changes become effective for the Company on January 1, 2017. Had these changes been adopted, the Company's working capital would have decreased by approximately \$41 million and \$38 million at March 31, 2016 and December 31, 2015, respectively.

In February 2016, the FASB issued changes in accounting for leases. The changes introduce a lessee model that brings most leases on the balance sheet. The changes also align many of the underlying principles of the new lessor model with those in the FASB's new revenue recognition standard. Furthermore, the changes address other concerns related to the current leases model such as eliminating the requirement in current guidance for an entity to use bright-line tests in determining lease classification. The changes also require lessors to increase the transparency of their exposure to changes in value of their residual assets and how they manage that exposure. The changes become effective for the Company on January 1, 2019. The Company is currently evaluating the impact of these changes on its consolidated financial statements.

In March 2016, the FASB issued changes related to the simplification of several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The changes become effective for the Company on January 1, 2017. The Company is currently evaluating the impact of these changes on its consolidated financial statements.

3. Accounts Receivable and Inventories

Accounts receivable consist of the following:

(In thousands)	March 31 2016	December 31 2015
Trade accounts receivable	\$ 268,716	\$ 280,526
Less: Allowance for doubtful accounts	(16,056)	(25,649)
Trade accounts receivable, net	<u>\$ 252,660</u>	<u>\$ 254,877</u>
Other receivables (a)	<u>\$ 19,458</u>	<u>\$ 30,395</u>

(a) Other receivables include insurance claim receivables, employee receivables, tax claim receivables, receivables from affiliates and other miscellaneous receivables not included in Trade accounts receivable, net.

The decrease in Allowance for doubtful accounts in 2016 is due to the write-off of previously reserved accounts receivable balances.

The provision for doubtful accounts related to trade accounts receivable was as follows:

(In thousands)	Three Months Ended	
	March 31	
	2016	2015
Provision for doubtful accounts related to trade accounts receivable	\$ (146)	\$ 196

Inventories consist of the following:

(In thousands)	March 31	December 31
	2016	2015
Finished goods	\$ 35,694	\$ 32,586
Work-in-process	98,500	86,745
Raw materials and purchased parts	73,215	70,755
Stores and supplies	25,926	26,881
Inventories	\$ 233,335	\$ 216,967

4. Equity Method Investments

In November 2013, the Company sold the Company's Harsco Infrastructure Segment into a strategic venture with Clayton, Dubilier & Rice ("CD&R") as part of a transaction that combined the Harsco Infrastructure Segment with Brand Energy & Infrastructure Services, Inc., which CD&R simultaneously acquired (the "Infrastructure Transaction"). As a result of the Infrastructure Transaction, the Company retained an equity interest in Brand Energy & Infrastructure Service, Inc. and Subsidiaries ("Brand" or the "Infrastructure strategic venture") which is accounted for as an equity method investment in accordance with U.S. GAAP.

As part of the Infrastructure Transaction, the Company is required to make a quarterly payment to the Company's partner in the Infrastructure strategic venture, either (at the Company's election) (i) in cash, with total payments to equal approximately \$22 million per year on a pre-tax basis (approximately \$15 million per year after-tax), or (ii) in kind, through the transfer of approximately 3% of the Company's ownership interest in the Infrastructure strategic venture on an annual basis (the "unit adjustment liability"). The Company will recognize the change in fair value to the unit adjustment liability each period until the Company is no longer required to make these payments or chooses not to make these payments. The change in fair value to the unit adjustment liability is a non-cash expense.

In March 2016, the Company elected not to make the quarterly cash payments to the Company's partner in the Infrastructure strategic venture for the remainder of 2016. Instead, the Company will transfer approximately 3% of its ownership interest in satisfaction of the Company's 2016 obligation related to the unit adjustment liability. As a result of not making the quarterly cash payments for 2016, the Company's ownership interest in the Infrastructure strategic venture decreased to approximately 26% at March 31, 2016 compared to approximately 29% at December 31, 2015, and the value of the unit adjustment liability was updated to reflect this change. Accordingly, the book value of the Company's equity method investment in Brand decreased by \$29.4 million and the unit adjustment liability decreased by \$19.1 million. The resulting net loss of \$10.3 million was recognized in the Condensed Consolidated Statement of Operations caption Change in fair value to the unit adjustment liability and loss on dilution of equity method investment. This net loss is non-cash expense.

For the three months ended March 31, 2016 and 2015, the Company recognized \$1.9 million and \$2.2 million, respectively, of change in fair value to the unit adjustment liability, exclusive of the fair value adjustment resulting from the decision not to make the quarterly payments in 2016, in the Condensed Consolidated Statement of Operations caption Change in fair value to the unit adjustment liability and loss on dilution of equity method investment. The Condensed Consolidated Balance Sheets as of March 31, 2016 and December 31, 2015 include balances related to the unit adjustment liability of \$62.7 million and \$79.9 million, respectively, in the current and non-current captions, Unit adjustment liability. A reconciliation of beginning and ending balances related to the unit adjustment liability is included in Note 11, Derivative Instruments, Hedging Activities and Fair Value.

The Company will continue to evaluate whether to make payments in cash or in kind in 2017 and beyond based upon performance of the Infrastructure strategic venture and the Company's liquidity and capital resources. Should the Company decide not to make additional cash payments in 2017 and beyond, the value of both the equity method investment in Brand and the related unit adjustment liability may be further impacted, and the change may be reflected in earnings in that period.

The book value of the Company's equity method investment in Brand at March 31, 2016 and December 31, 2015 was \$227.8 million and \$250.1 million, respectively. The Company records the Company's proportionate share of Brand's net income or loss one quarter in arrears.

Brand's results of operations for the three months ended December 31, 2015 and 2014 are summarized as follows:

(In thousands)	Three Months Ended December 31 2015	Three Months Ended December 31 2014
Net revenues	\$ 800,752	\$ 804,199
Gross profit	180,577	197,241
Net income attributable to Brand Energy & Infrastructure Services, Inc. and Subsidiaries	11,060	14,217
Harsco's equity in income of Brand	3,175	4,083

Balances related to transactions between the Company and Brand are as follows:

(In thousands)	March 31 2016	December 31 2015
Balances due from Brand	\$ 1,942	\$ 1,557
Balances due to Brand	21,600	21,407

The remaining balances between the Company and Brand, at March 31, 2016, relate primarily to transition services and the funding of certain transferred defined benefit pension plan obligations through 2018. There is not expected to be any significant level of revenue or expense between the Company and Brand on an ongoing basis once all aspects of the Infrastructure Transaction have been finalized.

5. Property, Plant and Equipment

Property, plant and equipment consists of the following:

(In thousands)	March 31 2016	December 31 2015
Land	\$ 11,205	\$ 10,932
Land improvements	15,314	15,277
Buildings and improvements	191,286	191,356
Machinery and equipment	1,688,499	1,661,914
Construction in progress	37,359	36,990
Gross property, plant and equipment	1,943,663	1,916,469
Less: Accumulated depreciation	(1,387,877)	(1,352,434)
Property, plant and equipment, net	\$ 555,786	\$ 564,035

6. Goodwill and Other Intangible Assets

The following table reflects the changes in carrying amounts of goodwill by segment for the three months ended March 31, 2016:

(In thousands)	Harsco Metals & Minerals Segment	Harsco Industrial Segment	Harsco Rail Segment	Consolidated Totals
Balance at December 31, 2015	\$ 380,761	\$ 6,806	\$ 12,800	\$ 400,367
Changes to goodwill	—	33	226	259
Foreign currency translation	2,033	—	—	2,033
Balance at March 31, 2016	\$ 382,794	\$ 6,839	\$ 13,026	\$ 402,659

The Company's 2015 annual goodwill impairment testing did not result in any impairment of the Company's goodwill. The fair value of the Harsco Metals & Minerals Segment exceeded the carrying value by approximately 15%. The Company tests for goodwill impairment annually or more frequently if indicators of impairment exist, or if a decision is made to dispose of a business. The Company performs the annual goodwill impairment test as of October 1 and monitors for triggering events on an ongoing basis. The Company determined that, as of March 31, 2016, no interim goodwill impairment testing was necessary. There can be no assurance that the Company's annual goodwill impairment testing will not result in a charge to earnings. Should the Company's analysis indicate further degradation in the overall markets served by the Harsco Metals & Minerals Segment, impairment losses for associated assets could be required. Any impairment could result in the write-down of the carrying value of goodwill to its implied fair value.

Intangible assets included in the captions, Other current assets and Intangible assets, net, on the Condensed Consolidated Balance Sheets consist of the following:

(In thousands)	March 31, 2016		December 31, 2015	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer related	\$ 153,667	\$ 113,175	\$ 153,287	\$ 111,227
Non-compete agreements	1,098	1,098	1,092	1,092
Patents	5,876	5,530	5,882	5,495
Technology related	25,895	24,060	25,559	23,089
Trade names	8,310	4,303	8,303	4,194
Other	8,768	4,875	8,701	4,669
Total	\$ 203,614	\$ 153,041	\$ 202,824	\$ 149,766

Amortization expense for intangible assets was as follows:

(In thousands)	Three Months Ended	
	March 31	
	2016	2015
Amortization expense for intangible assets	\$ 2,105	\$ 2,137

The estimated amortization expense for the next five fiscal years based on current intangible assets is as follows:

(In thousands)	2016	2017	2018	2019	2020
Estimated amortization expense (a)	\$ 8,000	\$ 5,500	\$ 5,250	\$ 4,750	\$ 4,500

(a) These estimated amortization expense amounts do not reflect the potential effect of future foreign currency exchange fluctuations.

7. Employee Benefit Plans

(In thousands)	Three Months Ended			
	March 31			
	U.S. Plans		International Plans	
	2016	2015	2016	2015
Service cost	\$ 946	\$ 722	\$ 404	\$ 438
Interest cost	2,545	3,089	7,123	9,189
Expected return on plan assets	(3,601)	(4,203)	(11,463)	(12,674)
Recognized prior service costs	16	20	44	49
Recognized loss	1,372	1,230	3,218	4,235
Defined benefit pension plans net periodic pension cost	\$ 1,278	\$ 858	\$ (674)	\$ 1,237

The Company has changed the method utilized to estimate the 2016 service cost and interest cost components of net periodic pension cost ("NPPC") for defined benefit pension plans. The more precise application of discount rates for measuring both service costs and interest costs employs yield curve spot rates on a year-by-year expected cash flow basis, using the same yield curves that the Company has previously used. This change in method decreased the Company's NPPC by approximately \$2 million for the three months ended March 31, 2016 compared to what NPPC would have been under the prior method. For additional information related to this change in method, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Company Contributions (In thousands)	Three Months Ended	
	March 31	
	2016	2015
Defined benefit pension plans (U.S.)	\$ 470	\$ 682
Defined benefit pension plans (International)	9,798	16,066
Multiemployer pension plans	521	565
Defined contribution pension plans	2,826	3,448

The Company's estimate of expected contributions to be paid during the remainder of 2016 for the U.S. and international defined benefit plans are \$1.6 million and \$9.7 million, respectively.

8. Income Taxes

The income tax benefit related to continuing operations for the three months ended March 31, 2016 was \$2.2 million. Income tax expense related to continuing operations for the three months ended March 31, 2015 was \$12.9 million.

An income tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, based on technical merits, including resolutions of any related appeals or litigation processes. The unrecognized income tax benefit at March 31, 2016 was \$6.2 million, including interest and penalties. Within the next twelve months, it is reasonably possible that no unrecognized income tax benefits will be recognized upon settlement of tax examinations and the expiration of various statutes of limitations.

9. Commitments and Contingencies

Environmental

The Company is involved in a number of environmental remediation investigations and cleanups and, along with other companies, has been identified as a "potentially responsible party" for certain waste disposal sites. While each of these matters is subject to various uncertainties, it is probable that the Company will agree to make payments toward funding certain of these activities and it is possible that some of these matters will be decided unfavorably to the Company. The Company has evaluated its potential liability, and its financial exposure is dependent upon such factors as the continuing evolution of environmental laws and regulatory requirements, the availability and application of technology, the allocation of cost among potentially responsible parties, the years of remedial activity required and the remediation methods selected. The Company did not have any material accruals or record any material expenses related to environmental matters during the periods presented.

The Company evaluates its liability for future environmental remediation costs on a quarterly basis. Although actual costs to be incurred at identified sites in future periods may vary from the estimates (given inherent uncertainties in evaluating environmental exposures), the Company does not expect that any costs that are reasonably possible to be incurred by the Company in connection with environmental matters in excess of the amounts accrued would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Brazilian Tax Disputes

The Company is involved in a number of tax disputes with federal, state and municipal tax authorities in Brazil. These disputes are at various stages of the legal process, including the administrative review phase and the collection action phase, and include assessments of fixed amounts of principal and penalties, plus interest charges that increase at statutorily determined amounts per month and are assessed on the aggregate amount of the principal and penalties. In addition, the losing party at the collection action or court of appeals phase could be subject to a charge to cover statutorily mandated legal fees, which are generally calculated as a percentage of the total assessed amounts due, inclusive of penalty and interest. A large number of the claims relate to value-added ("ICMS") services and social security ("INSS") tax disputes. The largest proportion of the assessed amounts relate to ICMS claims filed by the State Revenue Authorities from the State of São Paulo, Brazil (the "SPRA"), encompassing the period from January 2002 to May 2005.

In October 2009, the Company received notification of the SPRA's final administrative decision regarding the levying of ICMS in the State of São Paulo in relation to services provided to a customer in the State between January 2004 and May 2005. As of March 31, 2016, the principal amount of the tax assessment from the SPRA with regard to this case is approximately \$2 million, with penalty, interest and fees assessed to date increasing such amount by an additional \$20 million. Any change in the aggregate amount since the Company's last Annual Report on Form 10-K for the year ended December 31, 2015 is due to an increase in assessed interest and statutorily mandated legal fees for the period as well as foreign currency translation.

Another ICMS tax case involving the SPRA refers to the tax period from January 2002 to December 2003, and is still pending at the administrative phase. The aggregate amount assessed by the tax authorities in August 2005 was \$7.0 million (the amounts with regard to this claim are valued as of the date of the assessment since it has not yet reached the collection phase), composed of a principal amount of \$1.7 million, with penalty and interest assessed through that date increasing such amount by an additional \$5.3 million. All such amounts include the effect of foreign currency translation.

The Company continues to believe it is not probable that it will incur a loss for these assessments by the SPRA. The Company also continues to believe that sufficient coverage for these claims exists as a result of the Company's customer's indemnification obligations and such customer's pledge of assets in connection with the October 2009 notice, as required by Brazilian procedure.

The Company intends to continue its practice of vigorously defending itself against these tax claims under various alternatives, including judicial appeal. The Company will continue to evaluate its potential liability with regard to these claims on a quarterly basis; however, it is not possible to predict the ultimate outcome of these tax-related disputes in Brazil. No loss provision has been recorded in the Company's condensed consolidated financial statements for the disputes described above because the loss contingency is not deemed probable, and the Company does not expect that any costs that are reasonably possible to be incurred by the Company in connection with Brazilian tax disputes would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Brazilian Labor Disputes

The Company is subject to collective bargaining and individual labor claims in Brazil through the Harsco Metals & Minerals Segment which allege, among other things, the Company's failure to pay required amounts for overtime and vacation at certain sites. The Company is vigorously defending itself against these claims; however, litigation is inherently unpredictable, particularly in foreign jurisdictions. While the Company does not currently expect that the ultimate resolution of these claims will have a material adverse effect on the Company's financial condition, results of operations or cash flows, it is not possible to predict the ultimate outcome of these labor-related disputes.

The Company is continuing to review all known labor claims and as of March 31, 2016 and December 31, 2015, the Company has established reserves of \$7.4 million and \$6.9 million, respectively, on the Company's Condensed Consolidated Balance Sheets for amounts considered to be probable and estimable. As the Company continues to evaluate these claims and takes actions to address them, the amount of established reserves may be impacted.

Customer Disputes

The Company, through its Harsco Metals & Minerals Segment, may, in the normal course of business, become involved in commercial disputes with subcontractors or customers.

During the first quarter of 2015, a rail grinder manufactured by the Company's Harsco Rail Segment and operated by a subcontractor caught fire, causing a customer to incur monetary damages. There is a legal action pending to determine the cause of the incident. Depending on the cause of the fire and the extent of insurance coverage, the Company's results of operations and cash flows may be impacted in future periods.

Although results of operations and cash flows for a given period could be adversely affected by a negative outcome in these or other lawsuits, claims or proceedings, management believes that the ultimate outcome of these matters will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Lima Refinery Litigation

On April 8, 2016, Lima Refining Company filed a lawsuit against the Company in the District Court of Harris County, Texas related to a January 2015 explosion at an oil refinery operated by Lima Refining Company. The action seeks approximately \$95 million in property damages and \$250 million in lost profits and business interruption damages. The action alleges the explosion occurred because of a defect in a heat exchange cooler manufactured by Hammco Corporation ("Hammco") in 2009, prior to the Company's acquisition of Hammco in 2014. The Company plans to vigorously contest the allegations against it both as to liability for the accident and the amount of the claimed damages. As a result, the Company believes the situation does not result in a probable loss. The Company has both an indemnity right from the sellers of Hammco and liability insurance coverage under various primary and excess policies that the Company believes will be available, if necessary, to cover substantially all of any such liability that might ultimately be incurred in the above action.

Other

The Company is named as one of many defendants (approximately 90 or more in most cases) in legal actions in the U.S. alleging personal injury from exposure to airborne asbestos over the past several decades. In their suits, the plaintiffs have named as defendants, among others, many manufacturers, distributors and installers of numerous types of equipment or products that allegedly contained asbestos.

The Company believes that the claims against it are without merit. The Company has never been a producer, manufacturer or processor of asbestos fibers. Any asbestos-containing part of a Company product used in the past was purchased from a supplier and the asbestos encapsulated in other materials such that airborne exposure, if it occurred, was not harmful and is not associated with the types of injuries alleged in the pending actions.

At March 31, 2016, there were 17,134 pending asbestos personal injury actions filed against the Company. Of those actions, 16,811 were filed in the New York Supreme Court (New York County), 125 were filed in other New York State Supreme Court Counties and 198 were filed in courts located in other states.

The complaints in most of those actions generally follow a form that contains a standard damages demand of \$20 million or \$25 million, regardless of the individual plaintiff's alleged medical condition, and without identifying any specific Company product.

At March 31, 2016, 16,752 of the actions filed in New York Supreme Court (New York County) were on the Deferred/Inactive Docket created by the court in December 2002 for all pending and future asbestos actions filed by persons who cannot demonstrate that they have a malignant condition or discernible physical impairment. The remaining 59 cases in New York County are pending on the Active or In Extremis Docket created for plaintiffs who can demonstrate a malignant condition or physical impairment.

The Company has liability insurance coverage under various primary and excess policies that the Company believes will be available, if necessary, to substantially cover any liability that might ultimately be incurred in the asbestos actions referred to above. The Company believes that a substantial portion of the costs and expenses of the asbestos actions will be paid by the Company's insurers.

In view of the persistence of asbestos litigation in the U.S., the Company expects to continue to receive additional claims in the future. The Company intends to continue its practice of vigorously defending these claims and cases. At March 31, 2016, the Company has obtained dismissal in 27,805 cases by stipulation or summary judgment prior to trial.

It is not possible to predict the ultimate outcome of asbestos-related actions in the U.S. due to the unpredictable nature of this litigation, and no loss provision has been recorded in the Company's condensed consolidated financial statements because a loss contingency is not deemed probable or estimable. Despite this uncertainty, and although results of operations and cash flows for a given period could be adversely affected by asbestos-related actions, the Company does not expect that any costs that are reasonably possible to be incurred by the Company in connection with asbestos litigation would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

The Company is subject to various other claims and legal proceedings covering a wide range of matters that arose in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance or by established reserves, and, if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a material adverse effect on the financial condition, results of operations or cash flows of the Company.

Insurance liabilities are recorded when it is probable that a liability has been incurred for a particular event and the amount of loss associated with the event can be reasonably estimated. Insurance reserves have been estimated based primarily upon actuarial calculations and reflect the undiscounted estimated liabilities for ultimate losses, including claims incurred but not reported. Inherent in these estimates are assumptions that are based on the Company's history of claims and losses, a detailed analysis of existing claims with respect to potential value, and current legal and legislative trends. If actual claims differ from those projected by management, changes (either increases or decreases) to insurance reserves may be required and would be recorded through income in the period the change was determined. When a recognized liability is covered by third-party insurance, the Company records an insurance claim receivable to reflect the covered liability. Insurance claim receivables are included in Other receivables on the Company's Condensed Consolidated Balance Sheets. See Note 1, Summary of Significant Accounting Policies, to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015 for additional information on Accrued Insurance and Loss Reserves.

10. Reconciliation of Basic and Diluted Shares

(In thousands, except per share amounts)	Three Months Ended	
	March 31	
	2016	2015
Income (loss) from continuing operations attributable to Harsco Corporation common stockholders	\$ (10,550)	\$ 15,671
Weighted-average shares outstanding - basic	80,238	80,240
Dilutive effect of stock-based compensation	—	112
Weighted-average shares outstanding - diluted	\$ 80,238	\$ 80,352
Earnings (loss) from continuing operations per common share, attributable to Harsco Corporation common stockholders:		
Basic	\$ (0.13)	\$ 0.20
Diluted	\$ (0.13)	\$ 0.20

The following average outstanding stock-based compensation units were not included in the computation of diluted earnings (loss) per share because the effect was antidilutive:

(In thousands)	Three Months Ended	
	March 31	
	2016	2015
Restricted stock units	430	—
Stock options	90	114
Stock appreciation rights	1,088	864
Performance share units	309	122

11. Derivative Instruments, Hedging Activities and Fair Value

Derivative Instruments and Hedging Activities

The Company uses derivative instruments, including foreign currency exchange forward contracts and cross-currency interest rate swaps ("CCIRs"), to manage certain foreign currency and interest rate exposures. Derivative instruments are viewed as risk management tools by the Company and are not used for trading or speculative purposes.

All derivative instruments are recorded on the Condensed Consolidated Balance Sheets at fair value. Changes in the fair value of derivatives used to hedge foreign currency denominated balance sheet items are reported directly in earnings, along with offsetting transaction gains and losses on the items being hedged. Derivatives used to hedge forecasted cash flows associated with foreign currency commitments or forecasted commodity purchases may be accounted for as cash flow hedges, as deemed appropriate, if the criteria for hedge accounting are met. Gains and losses on derivatives designated as cash flow hedges are deferred as a separate component of equity and reclassified to earnings in a manner that matches the timing of the earnings impact of the hedged transactions. Generally, at March 31, 2016, deferred gains and losses related to asset purchases are reclassified to earnings over 10 to 15 years from the balance sheet date and those related to revenue are deferred until the revenue is recognized. The ineffective portion of all hedges, if any, is recognized currently in earnings.

The fair value of outstanding derivative contracts recorded as assets and liabilities on the Condensed Consolidated Balance Sheets at March 31, 2016 and December 31, 2015 were as follows:

(In thousands)	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
March 31, 2016				
Derivatives designated as hedging instruments:				
Foreign currency exchange forward contracts	Other current assets	\$ 271	Other current liabilities	\$ 52
Cross-currency interest rate swaps	Other assets	861	Other liabilities	—
Total derivatives designated as hedging instruments		<u>\$ 1,132</u>		<u>\$ 52</u>
Derivatives not designated as hedging instruments:				
Foreign currency exchange forward contracts	Other current assets	\$ 1,574	Other current liabilities	\$ 11,326

(In thousands)	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
December 31, 2015				
Derivatives designated as hedging instruments:				
Foreign currency exchange forward contracts	Other current assets	\$ 1,640		\$ —
Cross-currency interest rate swaps	Other assets	15,417		—
Total derivatives designated as hedging instruments		<u>\$ 17,057</u>		<u>\$ —</u>
Derivatives not designated as hedging instruments:				
Foreign currency exchange forward contracts	Other current assets	\$ 4,188	Other current liabilities	\$ 1,738

All of the Company's derivatives are recorded in the Condensed Consolidated Balance Sheets at gross amounts and not offset. All of the Company's CCIRs and certain foreign currency exchange forward contracts are transacted under International Swaps and Derivatives Association ("ISDA") documentation. Each ISDA master agreement permits the net settlement of amounts owed in the event of default. The Company's derivative assets and liabilities subject to enforceable master netting arrangements did not result in a net asset or net liability at either March 31, 2016 or December 31, 2015.

The effect of derivative instruments on the Condensed Consolidated Statements of Operations and the Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2016 and 2015 was as follows:

Derivatives Designated as Hedging Instruments (a)

(In thousands)	Amount of Gain (Loss) Recognized in Other Comprehensive Income ("OCI") on Derivative - Effective Portion	Location of Gain Reclassified from Accumulated OCI into Income - Effective Portion	Amount of Gain Reclassified from Accumulated OCI into Income - Effective Portion	Location of Gain Recognized in Income on Derivative - Ineffective Portion and Amount Excluded from Effectiveness Testing	Amount of Gain Recognized in Income on Derivative - Ineffective Portion and Amount Excluded from Effectiveness Testing
Three Months Ended March 31, 2016:					
Foreign currency exchange forward contracts	\$ (325)	Cost of services and products sold	\$ 408		\$ —
Cross-currency interest rate swaps	(2,490)		—	Cost of services and products sold	4,261 ^(b)
	<u>\$ (2,815)</u>		<u>\$ 408</u>		<u>\$ 4,261</u>
Three Months Ended March 31, 2015:					
Foreign currency exchange forward contracts	\$ 1,081	Cost of services and products sold	\$ 1		\$ —
Cross-currency interest rate swaps	8,621		—	Cost of services and products sold	30,742 ^(b)
	<u>\$ 9,702</u>		<u>\$ 1</u>		<u>\$ 30,742</u>

(a) Reflects only the activity of the Company and excludes derivative designated as hedging instruments held by the Company's equity method investments.

(b) These gains offset foreign currency fluctuation effects on the debt principal.

Derivatives Not Designated as Hedging Instruments

(In thousands)	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative for the Three Months Ended March 31 (a)	
		2016	2015
Foreign currency exchange forward contracts	Cost of services and products sold	\$ (6,844)	\$ 4,755

(a) These gains (losses) offset amounts recognized in cost of services and products sold principally as a result of intercompany or third party foreign currency exposures.

Foreign Currency Exchange Forward Contracts

The Company conducts business in multiple currencies and, accordingly, is subject to the inherent risks associated with foreign exchange rate movements. The financial position and results of operations of substantially all of the Company's foreign subsidiaries are measured using the local currency as the functional currency. Foreign currency-denominated assets and liabilities are translated into U.S. dollars at the exchange rates existing at the respective balance sheet dates, and income and expense items are translated at the average exchange rates during the respective periods. The aggregate effects of translating the balance sheets of these subsidiaries are deferred and recorded in Accumulated other comprehensive loss, which is a separate component of equity.

The Company uses derivative instruments to hedge cash flows related to foreign currency fluctuations. Foreign currency exchange forward contracts outstanding are part of a worldwide program to minimize foreign currency exchange operating income and balance sheet exposure by offsetting foreign currency exposures of certain future payments between the Company and various subsidiaries, suppliers or customers. These unsecured contracts are with major financial institutions. The Company may be exposed to credit loss in the event of non-performance by the contract counterparties. The Company evaluates the creditworthiness of the counterparties and does not expect default by them. Foreign currency exchange forward contracts are used to hedge commitments, such as foreign currency debt, firm purchase commitments and foreign currency cash flows for certain export sales transactions.

The following tables summarize, by major currency, the contractual amounts of the Company's foreign currency exchange forward contracts in U.S. dollars at March 31, 2016 and December 31, 2015. The "Buy" amounts represent the U.S. dollar equivalent of commitments to purchase foreign currencies, and the "Sell" amounts represent the U.S. dollar equivalent of commitments to sell foreign currencies. The recognized gains and losses offset amounts recognized in cost of services and products sold principally as a result of intercompany or third party foreign currency exposures.

Contracted Amounts of Foreign Currency Exchange Forward Contracts Outstanding at March 31, 2016:

(In thousands)	Type	U.S. Dollar Equivalent	Maturity	Recognized Gain (Loss)
British pounds sterling	Sell	\$ 53,161	April 2016	\$ (516)
British pounds sterling	Buy	2,304	April 2016	6
Euros	Sell	322,354	April 2016 through December 2016	(8,613)
Euros	Buy	148,788	April 2016 through December 2016	789
Other currencies	Sell	43,736	April 2016 through March 2017	(1,206)
Other currencies	Buy	15,605	April 2016 through June 2016	7
Total		\$ 585,948		\$ (9,533)

Contracted Amounts of Foreign Currency Exchange Forward Contracts Outstanding at December 31, 2015:

(In thousands)	Type	U.S. Dollar Equivalent	Maturity	Recognized Gain (Loss)
British pounds sterling	Sell	\$ 43,511	January 2016	\$ 822
British pounds sterling	Buy	2,062	January 2016	(54)
Euros	Sell	336,397	January 2016 through December 2016	547
Euros	Buy	167,037	January 2016 through August 2016	2,497
Other currencies	Sell	35,426	January 2016 through March 2016	316
Other currencies	Buy	7,981	January 2016	(38)
Total		\$ 592,414		\$ 4,090

In addition to foreign currency exchange forward contracts, the Company designates certain loans as hedges of net investments in international subsidiaries. The Company recorded pre-tax net losses of \$3.9 million and pre-tax net gains of \$3.1 million during the three months ended March 31, 2016 and 2015, respectively, into Accumulated other comprehensive loss.

Cross-Currency Interest Rate Swaps

The Company uses CCIRs in conjunction with certain debt issuances in order to secure a fixed local currency interest rate. Under these CCIRs, the Company receives interest based on a fixed or floating U.S. dollar rate and pays interest on a fixed local currency rate based on the contractual amounts in dollars and the local currency, respectively. At maturity, there is also the payment of principal amounts between currencies. The CCIRs are recorded on the Condensed Consolidated Balance Sheets at fair value, with changes in value attributed to the effect of the swaps' interest spread and changes in the credit worthiness of the counter-parties recorded in the caption, Accumulated other comprehensive loss. Changes in value attributed to the effect of foreign currency fluctuations are recorded in the Condensed Consolidated Statements of Operations and offset currency fluctuation effects on the debt principal. The following table indicates the contractual amounts of the Company's CCIRs at March 31, 2016:

(In millions)	Contractual Amount	Interest Rates	
		Receive	Pay
Maturing 2016 through 2017	\$ 5.7	Floating U.S. dollar rate	Fixed rupee rate

During March 2016, the Company effected the early termination of the British pound sterling CCIR with an original maturity date of 2020. The Company received \$16.6 million in cash related to this termination. There was no gain or loss recorded on the termination as any change in value attributable to the effect of foreign currency translation was previously recognized in the Condensed Consolidated Statements of Operations.

Fair Value of Derivative Assets and Liabilities and Other Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The Company utilizes market data or assumptions that the Company believes market participants would use in valuing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique.

The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs), and (2) an entity's own assumptions about market participant assumptions based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described below:

- Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3—Inputs that are both significant to the fair value measurement and unobservable.

In instances in which multiple levels of inputs are used to measure fair value, hierarchy classification is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability. The following table indicates the fair value hierarchy of the financial instruments of the Company at March 31, 2016 and December 31, 2015:

Level 2 Fair Value Measurements (In thousands)	March 31 2016	December 31 2015
Assets		
Foreign currency exchange forward contracts	\$ 1,845	\$ 5,828
Cross-currency interest rate swaps	861	15,417
Liabilities		
Foreign currency exchange forward contracts	11,378	1,738

The following table reconciles the beginning and ending balances for liabilities measured on a recurring basis using unobservable inputs (Level 3) for the three months ended March 31, 2016 and 2015:

Level 3 Liabilities—Unit Adjustment Liability (a) for the Three Months Ended March 31 (In thousands)	Three Months Ended	
	March 31	
	2016	2015
Balance at beginning of period	\$ 79,934	\$ 93,762
Reduction in the fair value related to election not to make 2016 payments	(19,145)	—
Payments	—	(5,580)
Change in fair value to the unit adjustment liability	1,913	2,245
Balance at end of period	\$ 62,702	\$ 90,427

(a) During the quarter ended March 31, 2016, the Company decided that it will not make the four quarterly payments to CD&R for 2016. This resulted in the Company revaluing the Unit Adjustment Liability. See Note 4, Equity Method Investments, for additional information related to the unit adjustment liability.

The Company primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs, such as forward rates, interest rates, the Company's credit risk and counterparties' credit risks, and which minimize the use of unobservable inputs. The Company is able to classify fair value balances based on the ability to observe those inputs. Foreign currency exchange forward contracts and CCIRs are classified as Level 2 fair value based upon pricing models using market-based inputs. Model inputs can be verified, and valuation techniques do not involve significant management judgment.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and short-term borrowings approximate fair value due to the short-term maturities of these assets and liabilities. At March 31, 2016 and December 31, 2015, the total fair value of long-term debt (excluding deferred financing costs), including current maturities, was \$745.9 million and \$834.6 million, respectively, compared with a carrying value of \$837.2 million and \$880.8 million, respectively. Fair values for debt are based on quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities (Level 2).

12. Review of Operations by Segment

(In thousands)	Three Months Ended	
	March 31	
	2016	2015
Revenues From Continuing Operations		
Harsco Metals & Minerals	\$ 229,672	\$ 291,198
Harsco Industrial	61,869	98,803
Harsco Rail	61,740	61,578
Total revenues from continuing operations	\$ 353,281	\$ 451,579
Operating Income (Loss) From Continuing Operations		
Harsco Metals & Minerals	\$ 6,941	\$ 10,583
Harsco Industrial	6,471	17,027
Harsco Rail	4,906	21,633
Corporate	(8,887)	(10,362)
Total operating income from continuing operations	\$ 9,431	\$ 38,881
Depreciation and Amortization		
Harsco Metals & Minerals	\$ 31,025	\$ 34,891
Harsco Industrial	1,718	1,287
Harsco Rail	1,434	1,556
Corporate	1,868	2,157
Total Depreciation and Amortization	\$ 36,045	\$ 39,891
Capital Expenditures		
Harsco Metals & Minerals	\$ 15,420	\$ 21,828
Harsco Industrial	1,134	7,221
Harsco Rail	372	537
Corporate	25	2,044
Total Capital Expenditures	\$ 16,951	\$ 31,630

Reconciliation of Segment Operating Income to Income (Loss) From Continuing Operations Before Income Taxes and Equity Income

(In thousands)	Three Months Ended	
	March 31	
	2016	2015
Segment operating income	\$ 18,318	\$ 49,243
General Corporate expense	(8,887)	(10,362)
Operating income from continuing operations	9,431	38,881
Interest income	535	256
Interest expense	(12,363)	(11,884)
Change in fair value to the unit adjustment liability and loss on dilution of equity method investment	(12,217)	(2,245)
Income (loss) from continuing operations before income taxes and equity income	<u>\$ (14,614)</u>	<u>\$ 25,008</u>

13. Other (Income) Expenses

The major components of this Condensed Consolidated Statements of Operations caption are as follows:

(In thousands)	Three Months Ended	
	March 31	
	2016	2015
Net gains	\$ (652)	\$ (3,790)
Foreign currency gains related to Harsco Rail Segment advances on contracts	—	(10,940)
Employee termination benefit costs	5,772	1,403
Harsco Metals & Minerals Segment separation costs	3,287	—
Other costs to exit activities	182	122
Impaired asset write-downs	93	—
Other	441	—
Other (income) expenses	<u>\$ 9,123</u>	<u>\$ (13,205)</u>

(a) Net gains result from the sales of redundant properties (primarily land, buildings and related equipment) and non-core assets.

14. Components of Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss is included on the Condensed Consolidated Statements of Equity. The components of Accumulated other comprehensive loss, net of the effect of income taxes, and activity for the three months ended March 31, 2015 and 2016 was as follows:

(In thousands)	Components of Accumulated Other Comprehensive Income (Loss) - Net of Tax				
	Cumulative Foreign Exchange Translation Adjustments	Effective Portion of Derivatives Designated as Hedging Instruments	Cumulative Unrecognized Actuarial Losses on Pension Obligations	Unrealized Loss on Marketable Securities	Total
	Balance at December 31, 2014	\$ (39,938)	\$ (9,025)	\$ (483,278)	\$ (15)
Other comprehensive income (loss) before reclassifications	(23,653) ^(a)	7,955 ^(b)	19,634 ^(a)	(8)	3,928
Amounts reclassified from accumulated other comprehensive loss, net of tax	—	1	5,064	—	5,065
Other comprehensive income (loss) from equity method investee	(5,189)	(382)	595	—	(4,976)
Total other comprehensive income (loss)	(28,842)	7,574	25,293	(8)	4,017
Less: Other comprehensive (income) loss attributable to noncontrolling interests	754	10	—	—	764
Other comprehensive income (loss) attributable to Harsco Corporation	(28,088)	7,584	25,293	(8)	4,781
Balance at March 31, 2015	<u>\$ (68,026)</u>	<u>\$ (1,441)</u>	<u>\$ (457,985)</u>	<u>\$ (23)</u>	<u>\$ (527,475)</u>

(In thousands)	Components of Accumulated Other Comprehensive Income (Loss) - Net of Tax				Total
	Cumulative Foreign Exchange Translation Adjustments	Effective Portion of Derivatives Designated as Hedging Instruments	Cumulative Unrecognized Actuarial Losses on Pension Obligations	Unrealized Loss on Marketable Securities	
Balance at December 31, 2015	\$ (125,561)	\$ (400)	\$ (389,696)	\$ (31)	\$ (515,688)
Other comprehensive income (loss) before reclassifications	9,501 ^(a)	(2,913) ^(b)	6,168 ^(a)	(7)	12,749
Amounts reclassified from accumulated other comprehensive loss, net of tax	—	257	4,133	—	4,390
Amounts reclassified from accumulated other comprehensive loss in connection with loss on dilution of equity method investment (See Note 4, Equity Method Investments)	3,079	106	(148)	—	3,037
Other comprehensive income from equity method investee	(959)	143	287	—	(529)
Total other comprehensive income (loss)	11,621	(2,407)	10,440	(7)	19,647
Less: Other comprehensive loss attributable to noncontrolling interests	(267)	(4)	—	—	(271)
Other comprehensive income (loss) attributable to Harsco Corporation	11,354	(2,411)	10,440	(7)	19,376
Balance at March 31, 2016	\$ (114,207)	\$ (2,811)	\$ (379,256)	\$ (38)	\$ (496,312)

(a) Principally foreign currency fluctuation.

(b) Net change from periodic revaluations.

Amounts reclassified from accumulated other comprehensive loss are as follows:

(In thousands)	Three Months Ended		Affected Caption in the Condensed Consolidated Statements of Operations
	March 31 2016	March 31 2015	
Amortization of cash flow hedging instruments:			
Foreign currency exchange forward contracts	\$ 408	\$ 1	Cost of services and products sold
Tax benefit	(151)	—	
Total reclassification of cash flow hedging instruments	<u>\$ 257</u>	<u>\$ 1</u>	
Amortization of defined benefit pension items:			
Actuarial losses (c)	\$ 2,376	\$ 3,947	Selling, general and administrative expenses
Actuarial losses (c)	2,214	1,518	Cost of services and products sold
Prior-service costs (benefits) (c)	(1)	31	Selling, general and administrative expenses
Prior-service costs (c)	61	38	Cost of services and products sold
Total before tax	<u>4,650</u>	<u>5,534</u>	
Tax benefit	(517)	(470)	
Total reclassification of defined benefit pension items, net of tax	<u>\$ 4,133</u>	<u>\$ 5,064</u>	

(c) These accumulated other comprehensive loss components are included in the computation of net periodic pension costs. See Note 7, Employee Benefit Plans, for additional details.

Amounts reclassified from accumulated other comprehensive loss in connection with loss on dilution of equity method investment are as follows:

(In thousands)	Three Months Ended March 31 2016	Affected Caption in the Condensed Consolidated Statements of Operations
Foreign exchange translation adjustments	\$ 4,880	Change in fair value to the adjustment liability and loss on dilution of equity method investment
Cash flow hedging instruments	168	Change in fair value to the adjustment liability and loss on dilution of equity method investment
Defined benefit pension obligations	(235)	Change in fair value to the adjustment liability and loss on dilution of equity method investment
Total before tax	4,813	
Tax benefit	(1,776)	
Total amounts reclassified from accumulated other comprehensive loss in connection with loss on dilution of equity method investment	<u>\$ 3,037</u>	

15. Restructuring Programs

In recent years, the Company has instituted restructuring programs to balance short-term profitability goals with long-term strategies. A primary objective of these programs has been to establish platforms upon which the affected businesses can grow with reduced fixed investment and generate annual operating expense savings. The restructuring programs have been instituted in response to the continuing impact of global financial and economic uncertainty on the Company's end markets. Restructuring costs incurred in these programs were recorded as part of the caption, Other expenses, of the Condensed Consolidated Statements of Operations. The timing of associated cash payments is dependent on the type of restructuring cost and can extend over a multi-year period.

Project Orion

Under Project Orion, the Harsco Metals & Minerals Segment made organizational and process improvement changes that are expected to improve its return on capital and deliver a higher and more consistent level of service to customers. These changes include improving several core processes and simplifying the organizational structure. During the fourth quarter of 2015, Project Orion was expanded with additional targeted workforce and operational savings of \$20 million to \$25 million. The majority of these benefits are expected to be realized in 2016.

The restructuring accrual for Project Orion at March 31, 2016 and the activity for the three months ended March 31, 2016 were as follows:

(In thousands)	Employee Termination Benefit Costs
Balance, December 31, 2015	\$ 5,807
Cash expenditures	(2,525)
Foreign currency translation	92
Other adjustments	62
Balance, March 31, 2016	<u>\$ 3,436</u>

The remaining accrual related to Project Orion is expected to be paid principally through the first half of 2016.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the accompanying unaudited condensed consolidated financial statements as well as the audited consolidated financial statements of Harsco Corporation (the "Company"), including the notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015 which includes additional information about the Company's critical accounting policies, contractual obligations, practices and the transactions that support the financial results, and provides a more comprehensive summary of the Company's outlook, trends and strategies for 2016 and beyond.

Certain amounts included in Item 2 of this Quarterly Report on Form 10-Q are rounded in millions and all percentages are calculated based on actual amounts. As a result, minor differences may exist due to rounding.

Forward-Looking Statements

The nature of the Company's business and the many countries in which it operates subject it to changing economic, competitive, regulatory and technological conditions, risks and uncertainties. In accordance with the "safe harbor" provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, the Company provides the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the results contemplated by forward-looking statements, including the expectations and assumptions expressed or implied herein. Forward-looking statements contained herein could include, among other things, statements about management's confidence in and strategies for performance; expectations for new and existing products, technologies and opportunities; and expectations regarding growth, sales, cash flows, and earnings. Forward-looking statements can be identified by the use of such terms as "may," "could," "expect," "anticipate," "intend," "believe," "likely," "estimate," "plan" or other comparable terms.

Factors that could cause actual results to differ, perhaps materially, from those implied by forward-looking statements include, but are not limited to: (1) changes in the worldwide business environment in which the Company operates, including general economic conditions; (2) changes in currency exchange rates, interest rates, commodity and fuel costs and capital costs; (3) changes in the performance of equity and bond markets that could affect, among other things, the valuation of the assets in the Company's pension plans and the accounting for pension assets, liabilities and expenses; (4) changes in governmental laws and regulations, including environmental, occupational health and safety, tax and import tariff standards; (5) market and competitive changes, including pricing pressures, market demand and acceptance for new products, services and technologies; (6) the Company's inability or failure to protect its intellectual property rights from infringement in one or more of the many countries in which the Company operates; (7) failure to effectively prevent, detect or recover from breaches in the Company's cybersecurity infrastructure; (8) unforeseen business disruptions in one or more of the many countries in which the Company operates due to political instability, civil disobedience, armed hostilities, public health issues or other calamities; (9) disruptions associated with labor disputes and increased operating costs associated with union organization; (10) the seasonal nature of the Company's business; (11) the Company's ability to successfully enter into new contracts and complete new acquisitions or strategic ventures in the time-frame contemplated, or at all; (12) the integration of the Company's strategic acquisitions; (13) the amount and timing of repurchases of the Company's common stock, if any; (14) the prolonged recovery in global financial and credit markets and economic conditions generally, which could result in the Company's customers curtailing development projects, construction, production and capital expenditures, which, in turn, could reduce the demand for the Company's products and services and, accordingly, the Company's revenues, margins and profitability; (15) the outcome of any disputes with customers, contractors and subcontractors; (16) the financial condition of the Company's customers, including the ability of customers (especially those that may be highly leveraged and those with inadequate liquidity) to maintain their credit availability; (17) the Company's ability to successfully implement and receive the expected benefits of cost-reduction and restructuring initiatives, including the achievement of expected cost savings in the expected time frame; (18) the ability to successfully implement the Company's strategic initiatives and portfolio optimization and the impact of such initiatives, such as the Harsco Metals & Minerals Segment's Improvement Plan ("Project Orion"); (19) the amount ultimately realized from the Company's exit from the strategic venture between the Company and Clayton, Dubilier & Rice and the timing of such exit; (20) implementation of environmental remediation matters; (21) risk and uncertainty associated with intangible assets; (22) the impact of a transaction, if any, resulting from the Company's determination to explore strategic options for the separation of the Harsco Metals & Minerals Segment; and (23) other risk factors listed from time to time in the Company's SEC reports. A further discussion of these, along with other potential risk factors, can be found in Part I, Item 1A, "Risk Factors," of the Company's Annual Report on Form 10-K for the year ended December 31, 2015. The Company cautions that these factors may not be exhaustive and that many of these factors are beyond the Company's ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company undertakes no duty to update forward-looking statements except as may be required by law.

Executive Overview

The Harsco Industrial Segment's air cooled heat exchangers business expects low oil prices to continue to impact capital expenditures and overall spending by customers in the upstream, midstream, and downstream oil and gas markets. Accordingly, these factors will impact revenue and operating income in the near-term in the Harsco Industrial Segment.

The Harsco Rail Segment's revenues were consistent year-over-year despite weakness in the North American market partially offset by growth in equipment sales in the international market. However, operating income was unfavorably impacted by a \$10.9 million foreign exchange gain recorded in 2015 that was not repeated in 2016, and by lower margins on after-market repair part sales.

The Harsco Metals & Minerals Segment continues to be negatively impacted by lower customer steel production, weaker commodity prices and demand and site exits. In addition, the Harsco Metals & Minerals Segment recorded severance costs of \$5.1 million resulting from a probable site exit in the first quarter of 2016. These impacts have been partially offset by the savings and benefits achieved as part of Project Orion which has helped to transform the Harsco Metals & Minerals Segment into a leaner and more disciplined business. During the fourth quarter of 2015, Project Orion was expanded with additional targeted workforce and operational savings of \$20 million to \$25 million. The majority of these benefits are expected to be realized in 2016. Please see Note 15, Restructuring Programs, In Part I, Item 1, Financial Statements for additional information. The Company remains focused on achieving additional cost reductions and operational improvements to enhance returns for the Harsco Metals & Minerals Segment.

The Company has announced its intention to pursue strategic options for the separation of the Harsco Metals & Minerals Segment from the rest of the Company. A separation of the Harsco Metals & Minerals Segment would allow each of the Company's businesses to benefit from dedicated capital structures, execute tailored and flexible strategic priorities and optimize capital return policies consistent with each business's unique priorities. There is no specific timetable related to this initiative and there can be no assurance that a sale, spin-off or any other transaction will take place. The Company incurred \$3.3 million of expenses during the first quarter of 2016 related to the separation, which are included as part of the Corporate caption in the Company's segment results.

Revenues by Segment (In millions)	Three Months Ended			
	March 31			
	2016	2015	Change	%
Harsco Metals & Minerals	\$ 229.7	\$ 291.2	\$ (61.5)	(21.1)%
Harsco Industrial	61.9	98.8	(36.9)	(37.4)
Harsco Rail	61.7	61.6	0.2	0.3
Total revenues	\$ 353.3	\$ 451.6	\$ (98.3)	(21.8)%

Revenues by Region (In millions)	Three Months Ended			
	March 31			
	2016	2015	Change	%
North America	\$ 162.3	\$ 210.1	\$ (47.9)	(22.8)%
Western Europe	108.3	123.7	(15.3)	(12.4)
Latin America (a)	34.7	51.5	(16.8)	(32.6)
Asia-Pacific	31.7	38.4	(6.7)	(17.6)
Middle East and Africa	9.2	15.8	(6.6)	(41.6)
Eastern Europe	7.1	12.0	(5.0)	(41.2)
Total revenues	\$ 353.3	\$ 451.6	\$ (98.3)	(21.8)%

(a) Includes Mexico.

Revenues for the Company during the first quarter of 2016 were \$353.3 million compared with \$451.6 million in the first quarter of 2015. The change is primarily related to the impact of price and volume changes in the Harsco Metals & Minerals and Harsco Industrial Segments; exited contracts in the Harsco Metals & Minerals Segment; and the impacts of foreign currency translation. Foreign currency translation decreased revenues by \$18.8 million for the first quarter of 2016 compared with the same period in the prior year.

Operating Income (Loss) by Segment (In millions)	Three Months Ended			
	March 31			
	2016	2015	Change	%
Harsco Metals & Minerals	\$ 6.9	\$ 10.6	\$ (3.6)	(34.4)%
Harsco Industrial	6.5	17.0	(10.6)	(62.0)
Harsco Rail	4.9	21.6	(16.7)	(77.3)
Corporate	(8.9)	(10.4)	1.5	14.2
Total operating income	\$ 9.4	\$ 38.9	\$ (29.5)	(75.7)%

Operating Margin by Segment	Three Months Ended	
	March 31	
	2016	2015
Harsco Metals & Minerals	3.0%	3.6%
Harsco Industrial	10.5	17.2
Harsco Rail	7.9	35.1
Consolidated operating margin	2.7%	8.6%

Operating income from continuing operations for the first quarter of 2016 was \$9.4 million compared with \$38.9 million in the first quarter of 2015. Refer to the Segment discussions below for information pertaining to factors positively affecting and negatively impacting operating income from continuing operations.

The diluted loss per share from continuing operations for the first quarter of 2016 of \$0.13 compared with diluted earnings per share from continuing operations of \$0.20 for the first quarter of 2015. This change is primarily related to decreased operating income from continuing operations and the loss on dilution of the Company's equity method investment in the Infrastructure strategic venture, partially offset by an income tax benefit in the current year compared to an income tax expense in prior year.

Harsco Metals & Minerals Segment:

Significant Impacts on Revenues

(In millions)	Three Months Ended March 31, 2016
Revenues — 2015	\$ 291.2
Net impact of new and lost contracts (including exited underperforming contracts).	(23.8)
Net impacts of price/volume changes, primarily attributable to volume changes.	(20.6)
Impact of foreign currency translation.	(17.1)
Revenues — 2016	\$ 229.7

Factors Positively Affecting Operating Income:

- Incremental Project Orion restructuring benefits, related to compensation savings, of approximately \$2.9 million during the first quarter of 2016 associated with the recent expansion of Project Orion.
- Selling and administrative costs, exclusive of Project Orion savings, incurred by the Harsco Metals & Minerals Segment decreased by \$3.9 million during the first quarter of 2016 compared with the same period in prior year.
- Lower maintenance, fuel and pension costs have helped to partially offset the impacts of lost or exited contracts and decreased volumes.
- Increased volumes in the roofing granules and industrial abrasives business, due partly to favorable weather conditions during the first quarter of 2016.

Factors Negatively Impacting Operating Income:

- Decreased global steel production and scrap metal prices. Overall, steel production by customers under services contracts, including the impact of exited contracts, decreased by 18% during the first quarter of 2016 compared with the same period in prior year.
- Decreased income attributable to the impact of exited contracts and reduced nickel prices and demand. Nickel prices decreased 40% during the first quarter of 2016 compared with the same period in prior year.
- Severance costs resulting from a probable site exit decreased operating income by \$5.1 million during the first quarter of 2016.

Harsco Industrial Segment:**Significant Impacts on Revenues**

(In millions)	Three Months Ended March 31, 2016
Revenues — 2015	\$ 98.8
Net impacts of price/volume changes, primarily attributable to volume changes.	(36.0)
Impact of foreign currency translation.	(0.9)
Revenues — 2016	<u>\$ 61.9</u>

Factors Positively Affecting Operating Income:

- Operating income was aided by \$3.1 million of lower selling, general and administrative costs in the first quarter of 2016 compared with the prior year.

Factors Negatively Impacting Operating Income:

- Lower volumes in the air-cooled heat exchangers business resulting in decreased operating income during 2016, primarily attributable to continued energy price declines which impacted capital spending by customers in the oil and natural gas industries served by the Company.
- The first quarter of 2015 included gains from sales of assets of \$3.6 million which did not repeat during the first quarter of 2016.

Harsco Rail Segment:**Significant Effects on Revenues**

(In millions)	Three Months Ended March 31, 2016
Revenues — 2015	\$ 61.6
Net effects of price/volume changes, primarily attributable to volume changes.	0.8
Impact of foreign currency translation.	(0.7)
Revenues — 2016	<u>\$ 61.7</u>

Factors Positively Affecting Operating Income:

- Improved contract service volumes for the first quarter of 2016 compared with the same period in the prior year.

Factors Negatively Impacting Operating Income:

- Foreign currency gain of \$10.9 million recognized during the first quarter of 2015 which did not repeat in the first quarter of 2016.
- High-margin after-market part sales in the first quarter of 2015 did not repeat in the first quarter of 2016. Additionally, an unfavorable mix of equipment sales decreased operating income, despite higher volumes, during the first quarter of 2016 compared with the same period in prior year.

Outlook, Trends and Strategies

In addition to the items noted in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, the following significant items, risks, trends and strategies are expected to affect the Company for the remainder of 2016 and beyond:

- The Company will focus on providing returns above its cost of capital for its stockholders by balancing its portfolio of businesses, and by executing its strategic and operational practices with reasonable amounts of financial leverage.
- The Company will continue to build and develop strong core capabilities and develop an active and lean corporate center that balances costs with value added services.
- The Company will continue to assess capital needs in the context of operational trends and strategic initiatives. Management will continue to be selective and disciplined in allocating capital by rigorously analyzing projects and utilizing a return-based capital allocation process.
- The Company expects its operational effective income tax rate to approximate 42% to 44% in 2016, excluding the tax impact on equity income (loss) related to Brand Energy & Infrastructure Services Inc. and Subsidiaries.

Harsco Metals & Minerals Segment:

- The Company anticipates reduced steel production; weaker commodity prices and demand; the impact of site exits; customer production curtailments; and the impact of foreign currency translation to negatively impact revenue and operating income in the near term in the Harsco Metals & Minerals Segment. These impacts will be partially offset by savings and benefits achieved as part of Project Orion and other operational savings.
- The Company will continue to focus on ensuring that forecasted profits and other requirements for contracts meet certain established standards and deliver returns above its cost of capital. Project Orion's focus is intended to enable the Company to address underperforming contracts more rapidly with targeted actions to improve the efficiencies of the business. These actions include central protocols to monitor activities, structures and systems that aid in decision making, and processes designed to identify the best operational and commercial actions available to address underperforming contracts and its overall contract portfolio. In connection with this focus, the possibility exists that the Company may take strategic actions that result in exit costs and non-cash asset impairment charges that may have an adverse effect on the Company's results of operations and liquidity.
- In February 2016, the Company announced a new 15-year contract with China's largest steel maker with anticipated revenues totaling approximately \$125 million over the life of the contract. Also in February 2016, the Company secured new orders for its slag-based asphalt product line. Additionally, during March 2016, the Company secured a contract extension for steel mill services in Belgium with projected revenues totaling more than \$100 million.
- One of the Company's customers announced its intention to sell its steel making operations in the U.K. Depending on the outcome of any potential transactions, there could be a material impact on the Company's results of operations, cash flows and asset valuations in any one period.
- One of the Company's customers in Australia has begun the process of voluntary administration under Australian law. The customer is planning to continue its operations during the voluntary administration proceedings. The Company had approximately \$5 million of receivables with the customer prior to the start of the voluntary administration and believes that these amounts are collectible based on currently available information. If there was a change in the Company's view on collectability, there could be a charge against income in future periods. Moreover, if the site were to close, additional costs may be incurred and asset valuations may be impacted, which may be significant in any one period.
- During 2014, the Company accrued approximately \$5 million of costs related to disposing certain slag material accumulated as part of a customer operation in Latin America because it had not received the necessary permits from the local government to sell the slag. The Company has reengaged the local government to obtain the necessary permits, and if these permits are obtained, the reversal of accrued disposal costs may be either partially or fully recognized in income for that period.

Harsco Industrial Segment:

- The Company expects low oil prices to continue to impact capital expenditures and overall spending by customers in the upstream, midstream, and downstream oil and gas markets. Accordingly, these factors will negatively impact revenue and operating income in the near-term in the Harsco Industrial Segment.
- The Company will continue to focus on product innovation and development to drive strategic growth in its businesses. The Company recently introduced GrateGuard™, a new fencing solution for first-line physical security in the Industrial grating business.
- During the first quarter of 2016, the Company received an order worth approximately \$10 million to supply security fencing for the new Mexico City International Airport.
- The Company will focus on growing the Harsco Industrial Segment through disciplined organic expansion and acquisitions that improve competitive positioning in core markets or adjacent markets.

Harsco Rail Segment:

- The global demand for railway maintenance-of-way equipment, parts and services continues to be generally positive, though North American markets are experiencing weakness due to reduced capital and operating spending by Class I railways. In total, the Company anticipates modest organic growth in its after-market parts business and its expected deliveries of existing equipment orders.
- During April 2016, the Company was awarded a multi-year rail grinding services contract-extension in the U.K. with anticipated revenues of at least \$40 million.
- In prior years, the Company secured two contract awards with initial contract values totaling approximately \$200 million from the federal railway system of Switzerland ("SBB"). The majority of deliveries under these contracts are anticipated to occur during 2017 through 2019. Given the inherent initial challenges of starting operations in new geographies with a new customer and the highly customized nature of these machines, margins for the initial contract will be significantly lower than traditional margins for similar machine sales in the Harsco Rail Segment, and it is possible that the overall contract could result in a loss if additional unanticipated costs should be incurred.
- The Company will focus on growing the Harsco Rail Segment through disciplined organic expansion and acquisitions that improve competitive positioning in core markets or adjacent markets.

Results of Operations

(In millions, except per share amounts)	Three Months Ended	
	March 31	
	2016	2015
Revenues from continuing operations	\$ 353.3	\$ 451.6
Cost of services and products sold	283.1	361.1
Selling, general and administrative expenses	50.8	63.9
Research and development expenses	0.9	0.9
Other (income) expenses	9.1	(13.2)
Operating income from continuing operations	9.4	38.9
Interest income	0.5	0.3
Interest expense	(12.4)	(11.9)
Change in fair value to the unit adjustment liability and loss on dilution of equity method investment	(12.2)	(2.2)
Income tax benefit (expense) from continuing operations	2.2	(12.9)
Equity in income of unconsolidated entities, net	3.2	4.1
Income (loss) from continuing operations	(9.3)	16.2
Diluted earnings (loss) per common share from continuing operations attributable to Harsco Corporation common stockholders	(0.13)	0.20
Effective income tax rate for continuing operations	14.8%	51.4%

Comparative Analysis of Consolidated Results

Revenues

Revenues for the first quarter of 2016 decreased \$98.3 million or 21.8% from the first quarter of 2015. Changes in revenues for the periods presented were attributable to the following significant items:

Change in Revenues — 2016 vs. 2015	Three Months Ended
(In millions)	March 31, 2016
Net impacts of price/volume changes in the Harsco Industrial Segment, primarily attributable to volume changes.	\$ (36.0)
Net impact of new and lost contracts (including exited underperforming contracts) in the Harsco Metals & Minerals Segment.	(23.8)
Net impacts of price/volume changes in the Harsco Metals & Minerals Segment, primarily attributable to volume changes.	(20.6)
Impact of foreign currency translation.	(18.8)
Net impacts of price/volume changes in the Harsco Rail Segment, primarily attributable to volume changes, including the effect of the Protran and JK Rail acquisitions.	0.8
Other.	0.1
Total change in revenues — 2016 vs. 2015	\$ (98.3)

Cost of Services and Products Sold

Cost of services and products sold for the first quarter of 2016 decreased \$78.0 million or 21.6% from the first quarter of 2015. Changes in cost of services and products sold for the periods presented were attributable to the following significant items:

Change in Cost of Services and Products Sold — 2016 vs. 2015 (In millions)	Three Months Ended March 31, 2016
Decreased costs due to changes in revenues (exclusive of the effects of foreign currency translation and fluctuations in commodity costs included in selling prices).	\$ (58.3)
Impact of foreign currency translation.	(17.5)
Other	(2.2)
Total change in cost of services and products sold — 2016 vs. 2015	<u>\$ (78.0)</u>

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the first quarter of 2016 decreased \$13.1 million or 20.5% from the first quarter of 2015. This decrease was primarily related to the impact of lower compensation costs associated with Project Orion in the Harsco Metals & Minerals Segment; lower professional fees; decreased agent and broker commissions in the Harsco Industrial Segment due to lower volume; lower pension expense; and foreign currency translation.

Other (Income) Expenses

This income statement classification includes: net gains on disposal of non-core assets, certain foreign currency gains, employee termination benefit costs, costs associated with the potential separation of the Harsco Metals & Minerals Segment, impaired asset write-downs, other costs to exit activities. Additional information on Other expenses is included in Note 13, Other (Income) Expenses, in Part I, Item 1, Financial Statements.

(In thousands)	Three Months Ended March 31	
	2016	2015
Net gains	\$ (652)	\$ (3,790)
Foreign currency gains related to Harsco Rail Segment advances on contracts	—	(10,940)
Employee termination benefit costs	5,772	1,403
Harsco Metals & Minerals Segment separation costs	3,287	—
Other costs to exit activities	182	122
Impaired asset write-downs	93	—
Other	441	—
Other (income) expenses	<u>\$ 9,123</u>	<u>\$ (13,205)</u>

Interest Expense

Interest expense during the first quarter of 2016 increased \$0.5 million from the first quarter of 2015. The increase primarily relates to increased interest rates associated with the Company's Senior Secured Credit Facilities partially offset by lower debt levels.

Change in Fair Value to the Unit Adjustment Liability and Loss on Dilution of Equity Method Investment

The Change in fair value to the unit adjustment liability and loss on dilution of equity method investment during the first quarter of 2016 increased by \$10.0 million from the first quarter of 2015. The increase resulted from the Company's election not to make the quarterly cash payments to the Company's partner in the Infrastructure strategic venture for the remainder of 2016. Instead, the Company will transfer approximately 3% of its ownership interest in satisfaction of the Company's 2016 obligation related to the unit adjustment liability. This is a non-cash expense. See Note 4, Equity Method Investments and Note 11, Derivative Instruments, Hedging Activities and Fair Value, in Part I, Item 1, Financial Statements for additional information.

Income Tax Benefit (Expense)

The income tax benefit related to continuing operations for the first quarter of 2016 was \$2.2 million compared with income tax expense related to continuing operations of \$12.9 million for the first quarter of 2015. The change in income tax benefit (expense) for the first quarter of 2016 compared with the first quarter of 2015 is primarily due to the decrease in income in profitable jurisdictions, as well as the expiration of statute of limitations for uncertain tax positions in certain foreign jurisdictions in 2016.

Income (Loss) from Continuing Operations

The Loss from continuing operations was \$9.3 million in the first quarter of 2016 compared with Income from continuing operations of \$16.2 million in the first quarter of 2015. This change is primarily related to decreased operating income from continuing operations and the loss on dilution of the Company's equity method investment in the Infrastructure strategic venture, partially offset by an income tax benefit in the current year compared to income tax expense in prior year.

Liquidity and Capital Resources

Overview

The Company continues to have adequate financial liquidity and borrowing capacity. The Company currently expects operational and business needs to be met by cash provided by operations supplemented with borrowings from time to time due to historical patterns of seasonal cash flow and for the funding of various projects. The Company continues to assess its capital needs in the context of operational trends and strategic initiatives.

The Company continues to implement and perform capital efficiency initiatives to enhance liquidity. These initiatives have included: prudent allocation of capital spending to those projects where the highest results can be achieved; optimization of worldwide cash positions; reductions in discretionary spending; and frequent evaluation of customer and business-partner credit risk.

The Company continues to focus on improving working capital efficiency. The Company's Continuous Improvement initiatives include improving the effective and efficient use of working capital, particularly in accounts receivable and inventories.

During the first three months of 2016, the Company used \$3.0 million in operating cash flow, a decrease from the \$10.5 million generated in the first three months of 2015. In the first three months of 2016, the Company invested \$17.0 million in capital expenditures, mostly for the Harsco Metals & Minerals Segment, compared with \$31.6 million in the first three months of 2015. The Company generated \$2.8 million in cash flow from asset sales in the first three months of 2016 compared with \$6.8 million in the first three months of 2015. Asset sales have been a normal part of the Company's business model, primarily for the Harsco Metals & Minerals Segment. The Company paid \$4.1 million and \$16.4 million in dividends to stockholders in the first three months of 2016 and 2015, respectively. The Company has suspended the quarterly dividend to preserve financial flexibility. The Board of Directors will continue to evaluate the Company's dividend policy each quarter.

The Company's net cash payments on debt were \$14.3 million in the first three months of 2016, principally due to the utilization of proceeds from the termination of a cross-currency interest rate swap. The Company's consolidated net debt to consolidated EBITDA ratio was 3.0 to 1.0 at March 31, 2016.

Sources and Uses of Cash

On December 2, 2015, the Company, entered into (i) an amendment and restatement agreement (the "Amendment Agreement") and (ii) a second amended and restated credit agreement (the "Credit Agreement" and, together with the Amendment Agreement, the "Financing Agreements"). The Financing Agreements increased the Company's overall borrowing capacity from \$500 million to \$600 million by (i) amending and restating the Company's existing credit agreement, (ii) establishing a term loan facility in an initial aggregate principal amount of \$250 million, by converting a portion of the outstanding balance under the Initial Credit Agreement on a dollar-for-dollar basis (such facility, the "Term Loan Facility") and (iii) reducing the revolving credit facility limit to \$350 million (the "Revolving Credit Facility" and together with the Term Loan Facility, the "Senior Secured Credit Facilities").

The Company's principal sources of liquidity are cash provided by operations and borrowings under its Senior Secured Credit Facilities, augmented by cash proceeds from asset sales. The primary drivers of the Company's cash flow from operations are the Company's revenues and income. Cash returns on capital investments made in the prior years, for which limited cash is currently required, are a significant source of cash provided by operations. Depreciation expense related to these investments is a non-cash charge.

The Company plans to redeploy discretionary cash primarily for debt reduction, and secondarily for disciplined organic growth and international or market segment diversification; for growth in long-term, higher-return service contracts for the Harsco Metals & Minerals Segment, principally in targeted growth markets or for customer diversification; and for strategic investments or possible acquisitions in the Harsco Rail and Harsco Industrial Segments.

Resources available for cash requirements for operations and growth initiatives

In addition to utilizing cash provided by operations and cash proceeds from asset sales, the Company has bank credit facilities available throughout the world. The Company also utilizes capital leases to finance the acquisition of certain equipment when appropriate, which allows the Company to minimize capital expenditures. The Company expects to continue to utilize all of these sources to meet future cash requirements for operations and growth initiatives.

The following table illustrates the Company's available credit at March 31, 2016:

(In millions)	March 31, 2016			
	Facility Limit	Outstanding Balance	Outstanding Letters of Credit	Available Credit
Multi-year revolving credit agreement	\$ 350.0	\$ 157.0	\$ 44.9	\$ 148.1

At March 31, 2016, the Company had \$403.9 million of borrowings under the Senior Secured Credit Facilities consisting of \$246.9 million under the Term Loan Facility and \$157.0 million under the Revolving Credit Facility. At March 31, 2016, of this balance, \$334.9 million was classified as long-term debt, \$53.4 million was classified as short-term borrowings and \$15.6 million was classified as current maturities of long-term debt in the Condensed Consolidated Balance Sheets. At December 31, 2015, the Company had \$415.0 million of borrowings under the Senior Secured Credit Facilities consisting of \$250.0 million under the Term Loan Facility and \$165.0 million under the Revolving Credit Facility. At December 31, 2015, of this balance, \$380.5 million was classified as long-term debt, \$22.0 million was classified as short-term borrowings and \$12.5 million was classified as current maturities of long-term debt in the Condensed Consolidated Balance Sheets. Classification of such balances is based on the Company's ability and intent to repay such amounts over the subsequent twelve months, as well as reflects the Company's ability and intent to borrow for a period longer than a year. To the extent the Company expects to repay any amounts within the subsequent twelve months, the amounts are classified as short-term borrowings or current maturities of long-term debt.

Working Capital Position

Changes in the Company's working capital are reflected in the following table:

(Dollars in millions)	March 31 2016	December 31 2015	Increase (Decrease)
Current Assets			
Cash and cash equivalents	\$ 70.4	\$ 79.8	\$ (9.4)
Trade accounts receivable, net	252.7	254.9	(2.2)
Other receivables	19.5	30.4	(10.9)
Inventories	233.3	217.0	16.4
Other current assets	75.5	82.5	(7.0)
Total current assets	651.4	664.5	(13.1)
Current Liabilities			
Short-term borrowings and current maturities	89.6	55.3	34.2
Accounts payable	119.6	136.0	(16.4)
Accrued compensation	36.1	38.9	(2.8)
Income taxes payable	4.9	4.4	0.5
Advances on contracts	102.0	107.3	(5.3)
Due to unconsolidated affiliate	7.7	7.7	—
Unit adjustment liability	5.8	22.3	(16.5)
Other current liabilities	138.7	134.2	4.6
Total current liabilities	504.5	506.1	(1.7)
Working Capital	\$ 146.9	\$ 158.4	\$ (11.5)
Current Ratio (a)	1.3:1	1.3:1	

(a) Calculated as Total current assets divided by Total current liabilities.

Working capital decreased \$11.5 million or 7.2% for the first three months of 2016 due primarily to the following factors:

- Working capital was negatively impacted by an increase in Short-term borrowings and current maturities of \$34.2 million primarily due to the timing of expected debt payments; and
- Working capital was negatively impacted by a decrease in Other receivables of \$10.9 million primarily due to income tax refunds received and proceeds received for certain asset sales.

These working capital decreases were partially offset by the following factors:

- Working capital was positively affected by a decrease in the Unit adjustment liability of \$16.5 million due to the Company's decision not to make cash payments to the Company's partner in the Infrastructure strategic venture. See Note 4, Equity Method Investments and Note 11, Derivative Instruments, Hedging Activities and Fair Value, in Part I, Item 1, Financial Statements for additional information.
- Working capital was positively affected by an increase in inventories of \$16.4 million primarily due to the timing of inventory purchases in the Harsco Rail Segment, including the SBB project; and
- Working capital was positively affected by a decrease in Accounts payable of \$16.4 million primarily due to the timing of payments.

Certainty of Cash Flows

The certainty of the Company's future cash flows is underpinned by the long-term nature of the Company's metals services contracts; the order backlog for the Company's railway track maintenance services and equipment; and overall discretionary cash flows (operating cash flows plus cash from asset sales in excess of the amounts necessary for capital expenditures to maintain current revenue levels) generated by the Company. Historically, the Company has utilized these discretionary cash flows for growth-related capital expenditures, strategic acquisitions, debt repayment and dividend payments.

The types of products and services that the Company provides are not subject to rapid technological change, which increases the stability of related cash flows. Additionally, the Company believes each business in its portfolio is a leader in the industries and major markets the Company serves. Due to these factors, the Company is confident in the Company's future ability to generate positive cash flows from operations.

The Company has historically generated the majority of its cash flows in the second half of the year, which is the result of higher income during the latter part of the year. Additionally, the Company's cash flows have been negatively impacted in the near term by reduced steel production, weaker commodity prices and demand, and the impact of site exits in the Harsco Metals & Minerals Segment.

Cash Flow Summary

The Company's cash flows from operating, investing and financing activities, as reflected in the Condensed Consolidated Statements of Cash Flows, are summarized in the following table:

(In millions)	Three Months Ended	
	March 31	
	2016	2015
Net cash provided (used) by:		
Operating activities	\$ (3.0)	\$ 10.5
Investing activities	(8.7)	(34.9)
Financing activities	(2.7)	21.2
Effect of exchange rate changes on cash	5.0	7.0
Net change in cash and cash equivalents	<u>\$ (9.4)</u>	<u>\$ 3.7</u>

Cash provided (used) by operating activities — Net cash used by operating activities in the first three months of 2016 was \$3.0 million, a decrease of \$13.4 million from cash provided by operating activities in the first three months of 2015. The decrease is primarily attributable to lower cash net income and timing of accounts payable, and inventory purchases partially offset by the timing of accounts receivable invoicing and collections.

Included in the Cash flows from operating activities section of the Condensed Consolidated Statement of Cash Flows is the caption Other, net. For the three months ended March 31, 2016, this caption principally consists of the settlement of certain foreign currency exchange forward contracts which are reflected in cash flows from investing activities. For the three months ended March 31, 2015, this caption consisted principally of the Harsco Rail Segment foreign exchange gain which is reflected in the Effect of exchange rate changes on cash caption.

Also included in the Cash flows from operating activities section of the Condensed Consolidated Statements of Cash Flows is the caption, Other assets and liabilities. For the three months ended March 31, 2016 and 2015, the decreases in this caption were \$9.6 million and \$8.9 million, respectively. A summary of the major components of this caption for the periods presented is as follows:

(In millions)	Three Months Ended	
	March 31	
	2016	2015
Net cash provided (used) by:		
Change in net defined benefit pension liabilities	\$ (10.2)	\$ (15.0)
Change in prepaid expenses	5.8	0.4
Change in accrued taxes	(7.6)	6.6
Other	2.4	(0.9)
Total	<u>\$ (9.6)</u>	<u>\$ (8.9)</u>

Cash used by investing activities — Net cash used by investing activities in the first three months of 2016 was \$8.7 million, a decrease of \$26.2 million from the first three months of 2015. The decrease was primarily due to a lower level of capital expenditures in the Harsco Metals & Minerals and Harsco Industrial Segments; a decrease in cash paid for the purchases of businesses in the Harsco Rail Segment; and no cash payment related to the unit adjustment liability related to Brand in the first three months of 2016.

Cash provided (used) by financing activities — Net cash used by financing activities in the first three months of 2016 was \$2.7 million, a decrease of \$23.8 million from cash provided by financing activities in the first three months of 2015. The change was primarily due to net cash payments on debt of \$14.3 million in the first three months of 2016 compared with net cash borrowings of \$51.8 million in the first three months of 2015. This was partially offset by proceeds from the termination of a cross-currency interest rate swap, lower cash dividends and no repurchases of the Company's common stock occurring the first three months of 2016.

Debt Covenants

The Credit Agreement contains a consolidated net debt to consolidated EBITDA ratio covenant, which is not to exceed 4.0 to 1.0, and a minimum consolidated EBITDA to consolidated interest charges ratio covenant, which is not to be less than 3.0 to 1.0. The consolidated net debt to consolidated EBITDA ratio covenant is reduced to 3.75 to 1.0 after December 31, 2016 and to 3.5 to 1.0 after June 30, 2017. Additionally, upon the completion of the potential separation of the Harsco Metals & Minerals Segment, the Company would be required to repay the Term Loan Facility, and the consolidated net debt to consolidated EBITDA ratio would be reduced to 3.0 to 1.0 for the Credit Agreement. The Company's 5.75% notes include covenants that require the Company to offer to repurchase the notes at 101% of par in the event of a change of control of the Company or disposition of substantially all of the Company's assets in combination with a downgrade in the Company's credit rating to non-investment grade. At March 31, 2016, the Company was in compliance with these covenants, as the total net debt to consolidated EBITDA ratio was 3.0 to 1.0 and total consolidated EBITDA to consolidated interest charges was 5.9 to 1.0. Based on balances and covenants in effect at March 31, 2016, the Company could increase net debt by \$282.7 million and still be in compliance with these debt covenants. The Company expects to continue to be in compliance with these debt covenants for at least the next twelve months.

Cash Management

The Company has various cash management systems throughout the world that centralize cash in various bank accounts where it is economically justifiable and legally permissible to do so. These centralized cash balances are then redeployed to other operations to reduce short-term borrowings and to finance working capital needs or capital expenditures. Due to the transitory nature of cash balances, they are normally invested in bank deposits that can be withdrawn at will or in very liquid short-term bank time deposits and government obligations. The Company's policy is to use the largest banks in the various countries in which the Company operates. The Company monitors the creditworthiness of banks and when appropriate will adjust banking operations to reduce or eliminate exposure to less credit worthy banks.

At March 31, 2016, the Company's consolidated cash and cash equivalents included \$69.1 million held by non-U.S. subsidiaries. At March 31, 2016, approximately 10% of the Company's consolidated cash and cash equivalents had regulatory restrictions that would preclude the transfer of funds with and among subsidiaries. The cash and cash equivalents held by non-U.S. subsidiaries also included \$19.1 million held in consolidated strategic ventures. The strategic venture agreements may require strategic venture partner approval to transfer funds with and among subsidiaries. While the Company's remaining non-U.S. cash and cash equivalents can be transferred with and among subsidiaries, the majority of these non-U.S. cash balances will be used to support the ongoing working capital needs and continued growth of the Company's non-U.S. operations.

The Company's financial position and debt capacity should enable it to meet current and future requirements. The Company continues to assess its capital needs in the context of operational trends, capital market conditions and strategic initiatives.

Recently Adopted and Recently Issued Accounting Standards

Information on recently adopted and recently issued accounting standards is included in Note 2, Recently Adopted and Recently Issued Accounting Standards, in Part I, Item 1, Financial Statements.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks have not changed significantly from those disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

ITEM 4. CONTROLS AND PROCEDURES

Based on the evaluation required by Securities Exchange Act Rules 13a-15(b) and 15d-15(b), the Company's management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of disclosure controls and procedures, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e), at March 31, 2016. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective at March 31, 2016. There have been no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting during the first quarter of 2016.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information on legal proceedings is included in Note 9, Commitments and Contingencies, in Part I, Item 1, Financial Statements.

ITEM 1A. RISK FACTORS

The Company's risk factors as of March 31, 2016 have not changed materially from those described in Part 1, Item 1A, "Risk Factors," of the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

ITEM 6. EXHIBITS

See the Exhibit Index following the signature page to this Quarterly Report on Form 10-Q for a list of exhibits filed or furnished with this report, which Exhibit Index is incorporated herein by reference.

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 thereunto duly authorized.

HARSCO CORPORATION

(Registrant)

DATE

May 4, 2016

/s/ PETER F. MINAN

Peter F. Minan

Senior Vice President and Chief Financial Officer

(On behalf of the registrant and as Principal Financial and Chief Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description
10.1	Form of Performance Share Units Agreement (effective for grants on or after April 26, 2016).
10.2	Form of Restricted Stock Units Agreement (effective for grants on or after April 26, 2016).
10.3	Form of Stock Appreciation Rights Agreement (effective for grants on or after April 26, 2016).
31.1	Certification Pursuant to Rule 13a-14(a) or 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).
31.2	Certification Pursuant to Rule 13a-14(a) or 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).
32	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer and Chief Financial Officer).
101	The following financial statements from Harsco Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 filed with the Securities and Exchange Commission on May 4, 2016, formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Operations; (iii) the Condensed Consolidated Statements of Comprehensive Income; (iv) the Condensed Consolidated Statements of Cash Flows; (v) the Condensed Consolidated Statements of Equity; and (vi) the Notes to Condensed Consolidated Financial Statements.

HARSCO CORPORATION

PERFORMANCE SHARE UNITS AGREEMENT
(FORM)

This PERFORMANCE SHARE UNITS AGREEMENT (this “*Agreement*”) is made as of _____, 20__, by and between Harsco Corporation, a Delaware corporation, and _____ (the “*Grantee*”).

1. **Certain Definitions.** Capitalized terms used, but not otherwise defined, in this Agreement will have the meanings given to such terms in the Company’s 2013 Equity and Incentive Compensation Plan (the “*Plan*”).
2. **Grant of PSUs.** Subject to and upon the terms, conditions and restrictions set forth in this Agreement, including, without limitation, **Exhibit A** attached hereto (the “*Non-Competition Agreement*”), and any additional terms and conditions for the Grantee’s country (Grantees outside the United States only) set forth in the attached **Exhibit B** which forms part of this Agreement, and in the Plan, the Company has granted to the Grantee, as of _____, 20__ (the “*Date of Grant*”), a target number of _____ performance-based Restricted Stock Units (“*PSUs*”). Notwithstanding anything in this **Section 2** or otherwise in this Agreement to the contrary, the Grantee acknowledges and agrees to be bound by the restrictive covenant terms, conditions and provisions in the Non-Competition Agreement as a “Grantee” as referred to therein.
3. **Restrictions on Transfer of PSUs.** Subject to **Section 15** of the Plan, neither the PSUs granted hereby nor any interest therein or in the Common Stock related thereto shall be transferable prior to payment to the Grantee pursuant to **Section 5** hereof other than by will or pursuant to the laws of descent and distribution.
4. **Vesting of PSUs.**
 - (a) Subject to the terms and conditions of **Section 4** and **Section 5** hereof and **Exhibit C** hereto, the Grantee’s right to receive Common Stock in settlement of the PSUs shall become nonforfeitable with respect to (i) 0% to 200% of the PSUs on the basis of the RTSR achievement during the Performance Period as set forth in the Statement of Management Objectives attached hereto as **Exhibit C** (the “*Earned PSUs*”). The Earned PSUs will be determined on the date following the end of the Performance Period on which the Committee determines the level of attainment of the Management Objectives for the Performance Period, which date must occur within 60 days after the end of the Performance Period (the “*Committee Determination Date*”). Except as otherwise provided herein, the Grantee’s right to receive Common Stock in settlement of the PSUs is contingent upon his or her remaining in the continuous employ of the Company or a Subsidiary until the end of the Performance Period.
 - (b) For purposes of this Agreement:
 - (i) “Continuously employed” (or substantially similar term) means the absence of any interruption or termination of the Grantee’s employment with the Company or with a Subsidiary of the Company. Continuous employment shall not be considered

interrupted or terminated in the case of sick leave, military leave or any other leave of absence approved by the Company or in the case of transfers between locations of the Company and its Subsidiaries;

- (ii) “Management Objectives” means the threshold, target and maximum goals established by the Committee for the Performance Period with respect to RTSR, as described in the Statement of Management Objectives. No adjustment of the Management Objectives shall be permitted in respect of any PSUs granted to the Grantee if at the Date of Grant he or she is a Covered Employee if such adjustment would result in the PSUs failing to qualify as a Qualified Performance-Based Award.
 - (iii) “Performance Period” means the three-year period commencing January 1, 2016 and ending on December 31, 2018.
 - (iv) “Relative Total Stockholder Return” or “RTSR” has the meaning as set forth in the Statement of Management Objectives.
- (c) Notwithstanding the other provisions of this **Section 4**:
- (i) If the Grantee dies or becomes Disabled during any calendar year of the Performance Period while the Grantee is continuously employed by the Company or any of its Subsidiaries (the “**Death/Disability Year**”), provided that the PSUs have not previously been forfeited or become nonforfeitable at such time, then (notwithstanding anything in the Statement of Management Objectives to the contrary): (A) the Performance Period will be deemed to have ended on December 31 of the Death/Disability Year (the “**Death/Disability Measurement Date**”); (B) the PSUs will continue to be eligible to become nonforfeitable (and payable in accordance with **Section 5** hereof) as if the Grantee continued to be employed until the end of the Death/Disability Measurement Date; (C) the Earned PSUs will be determined based on RTSR achievement from the start of the Performance Period through the Death/Disability Measurement Date based on the S&P 600® Industrials Index as constituted on the Death/Disability Measurement Date; (D) the ending stock price for Total Stockholder Return determination purposes will be based on the average closing stock price for the 30 calendar days immediately preceding the January 1st immediately following the Death/Disability Measurement Date on the principal stock exchange on which the stock then trades; and (E) the Earned PSUs will be determined on the date following the Death/Disability Measurement Date on which the Committee determines the level of attainment of the Management Objectives for the shortened Performance Period, which date must occur within 60 days after the Death/Disability Measurement Date.
 - (ii) If the Grantee retires from the Company prior to the Committee Determination Date (A) at age 62 or older while continuously employed by the Company or any of its Subsidiaries or (B) at or after such time as the Grantee’s age (minimum of age 55), plus full years of continuous employment by the Company or any of its Subsidiaries, equals 75, provided that the PSUs have not previously been forfeited or become nonforfeitable at such time, then the PSUs will continue to be eligible to become nonforfeitable in accordance with this **Section 4** (and payable in

accordance with **Section 5** hereof) as if the Grantee continued to be employed until the end of the Performance Period.

- (d)
- (i) Notwithstanding **Section 4(a)** or **Section 4(c)** above, if at any time before the Committee Determination Date or forfeiture of the PSUs, and while the Grantee is continuously employed by the Company or a Subsidiary, a Change in Control occurs, provided that the PSUs have not previously been forfeited or become nonforfeitable at such time, then (except to the extent that a Replacement Award is provided to the Grantee in accordance with **Section 4(e)(ii)** to continue, replace or assume the PSUs covered by this Agreement (the “*Replaced Award*”) the PSUs will become nonforfeitable and payable to the Grantee in accordance with **Section 5** hereof as follows (notwithstanding anything in the Statement of Management Objectives to the contrary): (A) the Performance Period will be deemed to have ended on the date of the Change in Control (the “*CIC Measurement Date*”); (B) the Earned PSUs will be determined based on RTSR achievement from the start of the Performance Period through the CIC Measurement Date based on the S&P 600® Industrials Index as constituted on the CIC Measurement Date; (D) the ending stock price for Total Stockholder Return determination purposes will be based on the average closing stock price for the 30 calendar days immediately preceding the CIC Measurement Date on the principal stock exchange on which the stock then trades; and (E) the Earned PSUs will be determined on the date of the Change in Control.
 - (ii) For purposes of this Agreement, a “Replacement Award” means an award (A) of the same type (*e.g.*, performance-based restricted stock units) as the Replaced Award, (B) that has a value at least equal to the value of the Replaced Award, (C) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control or is payable solely in cash, (D) if the Grantee holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Grantee under the Code are not less favorable to such Grantee than the tax consequences of the Replaced Award, and (E) the other terms and conditions of which are not less favorable to the Grantee holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this **Section 4(e)(ii)** are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.
 - (iii) If, upon receiving a Replacement Award, the Grantee’s employment with the Company or a Subsidiary (or any of their successors) (as applicable, the “*Successor*”) is subsequently terminated by the Grantee for Good Reason or by the Successor without Cause within a period of two years after the Change in Control, 100% of the Replacement Award will become nonforfeitable and payable with

respect to the performance-based restricted stock units covered by such Replacement Award.

- (iv) A termination by the Grantee for “Good Reason” means Grantee’s termination of his or her employment with the Successor as a result of the occurrence of any of the following: (A) a change in the Grantee’s principal location of employment that is greater than 50 miles from such location as of the date of this Agreement without the Grantee’s consent; provided, however, that the Grantee hereby acknowledges that the Grantee may be required to engage in travel in connection with the performance of the Grantee’s duties and that such travel shall not constitute a change in the Grantee’s principal location of employment for purposes hereof; (B) a material diminution in the Grantee’s base compensation; (C) a change in the Grantee’s position with the Successor without the Grantee’s consent such that there is a material diminution in the Grantee’s authority, duties or responsibilities; or (D) any other action or inaction that constitutes a material breach by the Successor of the agreement, if any, under which the Grantee provides services to the Successor or its subsidiaries. Notwithstanding the foregoing, the Grantee’s termination of the Grantee’s employment with the Successor as a result of the occurrence of any of the foregoing shall not constitute a termination for “Good Reason” unless (X) the Grantee gives the Successor written notice of such occurrence within 90 days of such occurrence and such occurrence is not cured by the Successor within 30 days of the date on which such written notice is received by the Successor and (Y) the Grantee actually terminates his or her employment with the Successor prior to the 365th day following such occurrence.
- (v) A termination by the Successor without “Cause” means the Successor’s termination of the Grantee’s employment with the Successor under circumstances that do not involve or relate to the occurrence of any of the following: (A) an act or acts of personal dishonesty taken by the Grantee and intended to result in substantial personal enrichment of the Grantee at the expense of the Company; (B) repeated failure by the Grantee to devote reasonable attention and time during normal business hours to the business and affairs of the Company or to use the Grantee’s reasonable best efforts to perform faithfully and efficiently the responsibilities assigned to the Grantee (provided that such failure is demonstrated to be willful and deliberate on the Grantee’s part and is not remedied in a reasonable period of time after receipt of written notice from the Company); or (C) the conviction of the Grantee of a felony.
- (e) The PSUs shall be forfeited to the extent they fail to become nonforfeitable as of the Committee Determination Date and, except as otherwise provided in this **Section 4**, if the Grantee ceases to be employed by the Company or a Subsidiary at any time prior to such PSUs becoming nonforfeitable, or to the extent they are forfeited under **Section 16** hereof.

5. **Form and Time of Payment of Earned PSUs.**

- (a) Payment for the PSUs, after and to the extent they have become nonforfeitable, shall be made in the form of shares of Common Stock. Payment shall be made within 70 days following the date that the PSUs become nonforfeitable pursuant to **Section 4** hereof.

- (b) Except to the extent provided by Section 409A of the Code and permitted by the Committee, no Common Stock may be issued to the Grantee at a time earlier than otherwise expressly provided in this Agreement.
- (c) The Company's obligations to the Grantee with respect to the PSUs will be satisfied in full upon the issuance of Common Stock corresponding to such PSUs.

6. **Dividend Equivalents, Voting, and Other Rights.**

- (a) The Grantee shall have no rights of ownership in the Common Stock underlying the PSUs and no right to vote the Common Stock underlying the PSUs until the date on which the shares of Common Stock underlying the PSUs are issued or transferred to the Grantee pursuant to **Section 5** above.
- (b) From and after the Date of Grant and until the earlier of (i) the time when the PSUs become nonforfeitable and are paid in accordance with **Section 5** hereof or (ii) the time when the Grantee's right to receive Common Stock in payment of the PSUs is forfeited in accordance with **Section 4** hereof, on the date that the Company pays a cash dividend (if any) to holders of Common Stock generally, the Grantee shall become entitled to receive (subject to the following sentence) a number of additional whole PSUs determined by dividing (x) the product of (1) the dollar amount of the cash dividend paid per share of Common Stock on such date and (2) the total number of PSUs (including dividend equivalents) previously credited to the Grantee as of such date, by (y) the Market Value per Share on such date. Such dividend equivalents (if any) shall be subject to the same terms and conditions and shall be paid or forfeited in the same manner and at the same time as the PSUs to which the dividend equivalents were credited.
- (c) The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Common Stock in the future, and the rights of the Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

7. **Adjustments.** The PSUs and their terms under this Agreement are subject to mandatory adjustment under the terms of Section 11 of the Plan.

8. **Withholding Taxes.** To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with the delivery to the Grantee of Common Stock or any other payment to the Grantee or any other payment or vesting event under this Agreement, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the obligation of the Company to make any such delivery or payment that the Grantee make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. The Grantee may elect that all or any part of such withholding requirement be satisfied by retention by the Company of a portion of the Common Stock to be delivered to the Grantee or by delivering to the Company other shares of Common Stock held by the Grantee. If such election is made, the shares so retained shall be credited against such withholding requirement at the Market Value per Share of such Common Stock on the date of such delivery. In no event will the market value of the Common Stock to be withheld and/or delivered pursuant to this **Section 8** to satisfy applicable withholding taxes exceed the minimum amount of taxes required to be withheld.

9. **Compliance With Law.** The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

10. **Compliance With Section 409A of the Code.** To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Grantee).

11. **Interpretation.** Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service. Except as expressly provided in this Agreement, capitalized terms used herein will have the meaning ascribed to such terms in the Plan.

12. **No Employment Rights.** The grant of the PSUs under this Agreement to the Grantee is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the PSUs and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained in this Agreement shall confer upon the Grantee any right to be employed or remain employed by the Company or any of its Subsidiaries, nor limit or affect in any manner the right of the Company or any of its Subsidiaries to terminate the employment or adjust the compensation of the Grantee.

13. **Relation to Other Benefits.** Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or any of its Subsidiaries and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or any of its Subsidiaries.

14. **Amendments.** Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that (a) no amendment shall adversely affect the rights of the Grantee under this Agreement without the Grantee's written consent, and (b) the Grantee's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code.

15. **Severability.** In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

16. **Relation to Plan.** This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall

govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. In addition, the PSUs shall be subject to the terms and conditions of the Company's clawback policy in effect on the Date of Grant as if such PSUs were "Incentive-Based Compensation" (as such term is defined in such clawback policy).

17. **Successors and Assigns**. Without limiting **Section 3** hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

18. **Acknowledgement**. The Grantee acknowledges that the Grantee (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

19. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and the Grantee has executed this Agreement, effective as of the day and year first above written.

HARSCO CORPORATION

By: /s/ F. Nicholas Grasberger III

Name: F. Nicholas Grasberger III

Title: President and CEO

The undersigned hereby acknowledges receipt of an executed version of this Agreement and accepts the award of PSUs granted hereunder on the terms and conditions set forth herein and in the Plan (including the terms of the Non-Competition Agreement, attached hereto as **Exhibit A**).

GRANTEE

By: _____
Name:

EXHIBIT A

Non-Competition Agreement

1. Grant. Grantee acknowledges that Grantee has access to the confidential and proprietary trade secret information of Harsco Corporation, including its subsidiaries, joint ventures, and operating divisions (the "Company"), as further described below ("Confidential/Proprietary Trade Secret Information"). Further, Grantee acknowledges that Grantee derives significant value from the Company and from the Confidential/Proprietary Trade Secret Information provided during the term of employment with the Company, which enables Grantee to optimize the performance of the Company's performance and Grantee's own personal, professional, and financial benefit. In consideration of the grant described in the award agreement (the "Agreement") to which these terms, conditions and provisions (the "Non-Competition Agreement") are attached as an exhibit, Grantee agrees that, during Grantee's employment by the Company, and for a period of twelve (12) months after the cessation of such employment for any reason (both such periods collectively referred to as the "Restricted Period"), Grantee will not, directly or indirectly, engage in any of the following competitive activities:
 - (a) For Grantee or on behalf of any other corporation, business, partnership, individual, or other entity, directly or indirectly solicit, divert, contract with, or attempt to solicit, divert, or contract with, any customer with whom Grantee had Material Contact during the final two (2) years of Grantee's employment with the Company concerning any products or services that are similar to those that Grantee was responsible for or were otherwise involved with during Grantee's employment with the Company. For purposes of this Non-Competition Agreement, the Grantee will have had "Material Contact" with a customer if: (i) Grantee had business dealings with the customer on the Company's behalf; (ii) Grantee was responsible for supervising or coordinating the dealings between the Company and the customer; or (iii) Grantee obtained Confidential/Proprietary Trade Secret Information about the customer as a result of Grantee's association with the Company;
 - (b) Within the geographic territory where Grantee was employed by the Company, obtained knowledge of Confidential/Proprietary Trade Secret Information, or had contact with the Company's customers, become employed by or otherwise render services to (as a director, employee, contractor or consultant) or have any ownership interest in any business which is engaged in offering the same or similar products or services as, or otherwise competes with those Company, including its subsidiaries and operating unit(s) with which Grantee was employed or in any way involved during the last twelve (12) months of employment with the Company; or
 - (c) (i) induce, offer, assist, encourage or suggest that another business or enterprise offer employment to or enter into a consulting arrangement with any employee, agent or representative of the Company or (ii) induce, offer, assist, encourage or suggest that any employee, agent or representative of the Company, including its subsidiaries and joint ventures, terminate his or her employment or business affiliation with the Company or accept employment with any other business or enterprise.
 - (d) Confidential/Proprietary Trade Secret Information.
 - (i) Grantee agrees to keep secret and confidential all Confidential/Proprietary Trade Secret Information (further described below) acquired by Grantee while employed by the Company or concerning the business and affairs of the Company, its vendors, its customers, and its affiliates (whether of a business, commercial or technological nature), and further agrees that Grantee will not disclose any such Confidential/Proprietary Trade Secret Information so acquired to any individual, partner, company, firm, corporation or other person or use the same in any manner other than in connection with the business and affairs of the Company and its affiliates. Except in the performance of services for the Company, the Grantee will not, for so long as the Confidential/Proprietary Trade Secret Information remains so designated under applicable law, use, disclose, reproduce, distribute, transmit, reverse engineer, decompile, disassemble, or transfer the Confidential/Proprietary Trade Secret Information or any portion thereof.

- (ii) For purposes of this Non-Competition Agreement, “Confidential/Proprietary Trade Secret Information” includes all information of a confidential or proprietary nature that relates to the business, products, services, research or development of the Company, and its affiliates or their respective suppliers, distributors, customers, independent contractors or other business relations. Confidential/Proprietary Trade Secret Information also includes, but is not limited to, the following: (A) internal business information (including information relating to strategic and staffing plans and practices, business, training, financial, marketing, promotional and sales plans and practices, cost, rate and pricing structures, accounting and business methods and customer and supplier lists); (B) identities of, individual requirements of, specific contractual arrangements with and information about, the Company’s suppliers, distributors, customers, independent contractors or other business relations and their confidential information; (C) trade secrets, copyrightable works and other confidential information (including ideas, formulas, recipes, compositions, inventions, innovations, improvements, developments, methods, know-how, manufacturing and production processes and techniques, research and development information, compilations of data and analyses, data and databases relating thereto, techniques, systems, records, manuals, documentation, models, drawings, specifications, designs, plans, proposals, reports and all similar or related information whether patentable or unpatentable and whether or not reduced to practice); (D) other intellectual property rights of the Company, or any of its affiliates; and (E) any other information that would constitute a trade secret under the Pennsylvania Uniform Trade Secrets Act, as amended from time to time (or any successor). The term “Confidential/Proprietary Trade Secret Information” also includes any information or data described above which the Company obtains from another party and which the Company treats as proprietary or designates as trade secrets, whether or not owned or developed by the Company.
- (iii) All documents and materials supplied to Grantee or developed by Grantee in the course of, or as a result of Grantee’s employment at the Company whether in hard copy, electronic format or otherwise shall be the sole property of the Company. Grantee will at any time upon the request of the Company and in any event promptly upon termination of Grantee’s employment or relationship with the Company, but in any event no later than five (5) business days after such termination, deliver all such materials to the Company and will not retain any originals or copies of such materials, whether in hard copy form or as computerized and/or electronic records. Except to the extent approved by the Company or required by Grantee’s bona fide job duties for the Company, the Grantee also agrees that Grantee will not copy or remove from the Company’s place of business or the place of business of a customer of the Company, property or information belonging to the Company or the customer or entrusted to the Company or the customer. In addition, the Grantee agrees that Grantee will not provide any such materials to any competitor of or entity seeking to compete with the Company unless specifically approved in writing by the Company. Notwithstanding anything in paragraph 1(d) (3) of this Non-Competition Agreement to the contrary, if the Company needs to take legal action to secure such return delivery of such materials, Grantee shall be responsible for all legal fees, costs and expenses incurred by the Company in doing so.

2. Subsequent Employment.

(a) Advise the Company of New Employment. In the event of a cessation of Grantee’s employment with the Company, and during the Restricted Period described in paragraph 1 above, Grantee agrees to disclose to the Company, the name and address of any new employer or business affiliation within ten (10) calendar days of Grantee’s accepting such position. In the event that Grantee fails to notify the Company of such new employment or business affiliation as required above, the Restricted Period will be extended by a period equal to the period of nondisclosure.

(b) Grantee’s Ability to Earn Livelihood. Grantee acknowledges that, in the event of a cessation of Grantee’s employment with the Company, for any reason and at any time, the provisions of paragraph 1 of this Non-Competition Agreement will not unreasonably restrict Grantee’s ability to earn a living. Grantee and the Company acknowledge that Grantee’s rights have been limited by this Non-Competition Agreement only to the extent reasonably necessary to protect the legitimate interests of the Company in its Confidential/Proprietary Trade Secret Information.

3. Enforcement. Grantee agrees that if Grantee violates the covenants and agreements set forth in this Non-Competition Agreement, the Company would suffer irreparable harm, and that such harm to the Company may be impossible to measure in monetary damages. Accordingly, in addition to any other remedies which the Company may have at law or in equity, the Company will have the right to have all obligations, undertakings, agreements, covenants and other provisions of this Non-Competition Agreement specifically performed by Grantee, and the Company will have the right to obtain preliminary and permanent injunctive relief to secure specific performance, and to prevent a breach or contemplated breach, of this Non-Competition Agreement. In such event, the Company will be entitled to an accounting and repayment of all profits, compensation, remunerations or benefits which Grantee or others, directly or indirectly, have realized or may realize as a result of, growing out of, or in conjunction with any violation of this Non-Competition Agreement. Such remedies will be an addition to and not in limitation of any injunctive relief or other rights or remedies to which the Company is or may be entitled at law or in equity. In the event that the Company obtains any requested relief in any action brought to enforce the terms of this Non-Competition Agreement through court proceedings, the Company will be entitled to reimbursement for all legal fees, costs and expenses incident to enforcement.
4. Severability. If any section, paragraph, term or provision of this Non-Competition Agreement, or the application thereof, is determined by a competent court or tribunal to be invalid or unenforceable, then the other parts of such section, paragraph, term or provision will not be affected thereby and will be given full force and effect without regard to the invalid or unenforceable portions, and the section, paragraph, term or provision of this Non-Competition Agreement will be deemed modified to the extent necessary to render it valid and enforceable.
5. Miscellaneous.
 - (a) Employment.
 - (i) This Non-Competition Agreement does not constitute a guarantee of employment and termination of employment will not affect the enforceability of this Non-Competition Agreement.
 - (ii) Grantee agrees that if Grantee is transferred from the entity or division which was Grantee's employer at the time Grantee signed this Non-Competition Agreement to employment by another division or another company that is a subsidiary or affiliate of Harsco Corporation, and Grantee has not entered into a superseding agreement with the new employer covering the subject matter of this Non-Competition Agreement, then this Non-Competition Agreement will continue in effect and the Grantee's new employer will be termed "the Company" for all purposes hereunder and will have the right to enforce this Non-Competition Agreement as Grantee's employer. In the event of any subsequent transfer, Grantee's new employer will succeed to all rights under this Non-Competition Agreement so long as such employer will be Harsco Corporation or one of its subsidiaries or affiliates and so long as this Non-Competition Agreement has not been superseded.
 - (b) Headings. The headings contained in this Non-Competition Agreement are inserted for convenience of reference only, and will not be deemed to be a part of this Non-Competition Agreement for any purposes, and will not in any way define or affect the meaning, construction or scope of any of the provisions of this Non-Competition Agreement.
 - (c) Governing Law. This Non-Competition Agreement will be construed under the laws of the Commonwealth of Pennsylvania, without regard to its conflict of law provisions, and the parties consent and agree that the federal and state courts of the Commonwealth of Pennsylvania will have exclusive jurisdiction over any dispute relating to this Non-Competition Agreement.
 - (d) Supplemental Nature of this Non-Competition Agreement. The restrictions set forth in paragraph 1 of this Non-Competition Agreement will be in addition to any other such restrictive covenants agreed to through separate agreements, if any, between Grantee and the Company and will survive the exercise of the equity award evidenced by the Agreement.

- (e) Waiver. The failure by the Company to enforce any right or remedy available to it under this Non-Competition Agreement will not be construed to be a waiver of such right or remedy with respect to any other prior, concurrent or subsequent breach or failure. No waiver of rights under this Non-Competition Agreement will be effective unless made in writing with specific reference to this Non-Competition Agreement.
- (f) Notification. Grantee agreed that the Company may notify any third party about Grantee's obligations under this Non-Competition Agreement until such time as Grantee has performed all of Grantee's obligations hereunder. Upon the Company's request, Grantee agrees to provide the Company with information, including, but not limited to, supplying details of Grantee's subsequent employment, sufficient to verify that Grantee has not breached, or is not breaching, any covenant in this Non-Competition Agreement.
- (g) Acknowledgments.
 - (i) Grantee acknowledges and agrees that this Non-Competition Agreement is in consideration of, (A) the grant evidenced by the Agreement, (B) access to Confidential/Proprietary Trade Secret Information, as required by Grantee's job duties, and (C) access to important customer relationships and the associated customer goodwill of the Company.
 - (ii) Grantee acknowledges that he or she has carefully read and considered the provisions of this Non-Competition Agreement, and that this Non-Competition Agreement is reasonable as to time and scope and activities prohibited, given the Company's need to protect its interests and given the consideration provided to Grantee in the form of the grant evidenced by the Agreement.
 - (iii) Grantee acknowledges that he or she has had an opportunity to consult with an independent legal counsel of Grantee's choosing, and accept the grant contained in the Agreement and continuing employment on the terms set forth in this Non-Competition Agreement.

EXHIBIT B

Additional Terms and Conditions for International Employees

TERMS AND CONDITIONS

This Exhibit B (this “Exhibit”), which is part of the Agreement, contains additional terms and conditions that govern the PSUs granted to the Grantee under the Plan if he or she resides outside the United States. The terms and conditions in Part A apply to *all* Grantees outside the United States. The country-specific terms and conditions and/or notifications in Part B will also apply to the Grantee if he or she resides in one of the countries listed below. Unless otherwise defined, capitalized terms used but not defined in this Exhibit have the meanings set forth in the Plan and/or the Agreement.

NOTIFICATIONS

This Exhibit also includes information regarding exchange controls and certain other issues of which the Grantee should be aware with respect to participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of February 2016. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Grantee not rely on the information in this Exhibit as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time that the Grantee vests in the PSUs or sell shares of Common Stock acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Grantee’s particular situation, and the Company is not in a position to assure the Grantee of a particular result. Accordingly, the Grantee is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to the Grantee’s situation.

Finally, if the Grantee is a citizen or resident, or is considered a resident, of a country other than the one in which he or she is currently working, or transferred employment after the PSUs were granted to him or her, the information contained herein may not be applicable. In addition, the Company shall, in its sole discretion, determine to what extent the additional terms and conditions included herein will apply to you under these circumstances.

A. ALL NON-U.S. COUNTRIES ADDITIONAL TERMS AND CONDITIONS

The following additional terms and conditions will apply to the Grantee if he or she resides in any country outside the United States.

Responsibility for Taxes. The following section replaces Section 8 of the Agreement in its entirety:

The Grantee acknowledges that, regardless of any action taken by the Company or, if different, the Grantee’s employer (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee’s participation in the Plan and legally applicable to the Grantee (“Tax-Related Items”) is and remains the Grantee’s responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSU, including, but not limited to, the grant, vesting or settlement of the PSUs, the subsequent sale of shares of Common Stock acquired pursuant to such settlement and the receipt of any dividends and/or any dividend equivalents; and (2) do not commit to and are under no obligation to structure the terms of the grant or any

aspect of the PSUs to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee is subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Grantee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following methods: (i) requiring payment by the Grantee to the Company, on demand, by cash, check or other method of payment as may be determined acceptable by the Company; or (ii) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; or (iii) withholding from proceeds of the sale of shares of Common Stock acquired at vesting of the PSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization) without further consent; or (ii) withholding shares of Common Stock issuable at vesting of the PSUs.

Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Grantee will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, the Grantee is deemed to have been issued the full number of shares of Common Stock subject to the vested PSUs, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items.

Finally, the Grantee agrees to pay the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares or the proceeds of the sale of shares of Common Stock, if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items.

Nature of Grant. In accepting the grant, the Grantee acknowledges, understands and agrees that: (1) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan; (2) all decisions with respect to future PSU or other grants, if any, will be at the sole discretion of the Company; (3) the Grantee is voluntarily participating in the Plan; (4) the PSU and the shares of Common Stock subject to the PSU are not intended to replace any pension rights or compensation; (5) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty; (6) no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from the termination of the Grantee's employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any), and in consideration of the grant of the PSUs to which the Grantee is otherwise not entitled, the Grantee irrevocably agrees never to institute any claim against the Company, any of its Subsidiaries or the Employer, waives the Grantee's ability, if any, to bring any such claim, and releases the Company, its Subsidiaries and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Grantee shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim; (7) for purposes of the PSUs, the Grantee's

employment or service relationship will be considered terminated as of the date the Grantee is no longer actively providing services to the Company or one of its Subsidiaries (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or providing services or the terms of the Grantee's employment or service agreement, if any) and unless otherwise expressly provided in these Terms and Conditions or determined by the Company, the Grantee's right to vest in the PSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., the Grantee's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Grantee is employed or providing services or the terms of the Grantee's employment or service agreement, if any); the Company shall have the exclusive discretion to determine when the Grantee is no longer actively providing services for purposes of the Grantee's PSU grant (including whether the Grantee may still be considered to be providing services while on an approved leave of absence); (8) unless otherwise provided in the Plan or by the Company in its discretion, the PSUs and the benefits evidenced by these Terms and Conditions do not create any entitlement to have the PSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; (9) the PSUs and the shares of Common Stock subject to the PSUs, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments; and (10) the Grantee acknowledges and agrees that neither the Company, the Employer nor any subsidiary or affiliate of the Company shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the PSUs or of any amounts due to the Grantee pursuant to the settlement of the PSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Common Stock. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

Data Privacy. *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, including email, of the Grantee's personal data as described in the Agreement and any other PSU grant materials ("Data") by and among, as applicable, the Employer, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.*

The Grantee understands that the Company and the Employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all PSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan.

The Grantee understands that Data will be transferred to the Company's stock transfer agent and/or broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the United States or elsewhere (including outside the EEA), and that the recipients' country (e.g., the United States) may

have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company, the Company's stock transfer agent and/or broker, and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. Further, the Grantee understands that the Grantee is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke the Grantee's consent, the Grantee's employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant the Grantee PSUs or other equity awards or administer or maintain such awards. Therefore, the Grantee understands that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

Governing Law and Venue. The PSU grant and the provisions of the Agreement are governed by, and subject to, the internal substantive laws of the State of Delaware, United States of America (with the exception of its conflict of law provisions).

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or the Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Pennsylvania in the United States of America and agree that such litigation shall be conducted only in the courts of Cumberland County, the Commonwealth of Pennsylvania, or the federal courts for the United States of America for the Middle District of Pennsylvania, and no other courts, where this grant is made and/or to be performed.

Compliance with Law. The following section supplements Section 9 of the Agreement:

Notwithstanding any other provision of the Plan or the Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock, the Company shall not be required to deliver any shares issuable upon settlement of the PSUs prior to the completion of any registration or qualification of the shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Grantee understands that the Company is under no obligation to register or qualify the shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, the Grantee agrees that Company shall have unilateral authority to amend the Plan and the Agreement without the Grantee's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

Language. If the Grantee has received the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means, including email. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Severability. The provisions of these Terms and Conditions are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Imposition of Other Requirements. Subject to Section 14 of the Agreement, the Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the PSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Waiver. The Grantee acknowledges that a waiver by the Company of breach of any provision of these Terms and Conditions shall not operate or be construed as a waiver of any other provision of these Terms and Conditions, or of any subsequent breach by the Grantee or any other Participant.

B. COUNTRY-SPECIFIC ADDITIONAL TERMS AND CONDITIONS AND NOTIFICATIONS

AUSTRALIA

TERMS AND CONDITIONS

Settlement of PSUs. Notwithstanding anything to the contrary in the Agreement, due to local regulatory requirements, upon the vesting of the PSUs, the Grantee will receive a cash payment in an amount equal to the value of the shares of Common Stock underlying the vested PSUs on the vesting date. As long as the Grantee resides in Australia, he or she may not receive or hold shares of Common Stock in connection with the PSUs under the Plan. Accordingly, any provisions in the Agreement referring to issuance of shares of Common Stock shall not be applicable to the Grantee as long as he or she resides in Australia.

NOTIFICATIONS

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding \$10,000 and international fund transfers. The Australian bank assisting with the transaction will file the report. If there is no Australian bank involved in the transfer, Grantee will be required to file the report.

BELGIUM

NOTIFICATIONS

Tax Reporting Information. Grantee is required to report any bank accounts opened and maintained outside of Belgium on his or her annual Belgian tax return.

BRAZIL

TERMS AND CONDITIONS

Compliance with Law. By accepting the PSUs, the Grantee acknowledges that he or she agrees to comply with applicable Brazilian laws and pay any and all applicable taxes associated with the vesting of the PSUs, the receipt of any dividends, and the sale of shares of Common Stock acquired under the Plan.

NOTIFICATIONS

Exchange Control Information. If the Grantee is resident or domiciled in Brazil, he or she will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US \$100,000. Assets and rights that must be reported include shares of Common Stock.

CHINA

TERMS AND CONDITIONS

Settlement of PSUs. Notwithstanding anything to the contrary in the Agreement, due to local regulatory requirements, upon the vesting of the PSUs, the Grantee will receive a cash payment in China via the Company's local Chinese payroll in an amount equal to the value of the shares of Common Stock underlying the vested PSUs on the vesting date. As long as the Grantee resides in China, he or she may not receive or hold shares of Common Stock in connection with the PSUs under the Plan. Accordingly, any provisions in the Agreement referring to issuance of shares of Common Stock shall not be applicable to the Grantee as long as he or she resides in China.

FRANCE

TERMS AND CONDITIONS

Consent to Receive Information in English. By accepting the grant of the PSUs, the Grantee confirms having read and understood the Plan and the Agreement, which were provided in the English language. The Grantee accepts the terms of those documents accordingly.

En acceptant cette attribution gratuite d'actions, le Grantee confirme avoir lu et compris le Plan et ce Contrat, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Grantee accepte les dispositions de ces documents en connaissance de cause.

NOTIFICATIONS

Tax Notification. The PSUs are not intended to be French tax-qualified. Please be aware that the Company intends that any outstanding PSUs granted to you pursuant to the 1995 Executive Incentive Compensation Plan Sub-plan for Restricted Stock Units Granted to Participants in France will continue to meet the requirements for qualified status under French law; therefore, different terms and conditions will apply to such outstanding PSUs. Please refer to the Restricted Stock Unit Agreement for Employees in France applicable to your grant for further details.

Exchange Control Notification. The Grantee may hold shares of Common Stock acquired under the Plan outside of France provided that he or she declares all foreign accounts (including any accounts that were opened or closed during the tax year) on his or her annual French income tax return.

LUXEMBOURG

NOTIFICATIONS

Exchange Control Information. Grantee understands that Grantee is required to report any inward remittances of funds to the Banque Centrale de Luxembourg and/or the Service Central de la Statistique et des Études Économiques within 15 working days following the month during which the transaction occurred unless such payment is reported by a Luxembourg-resident financial institution.

SWITZERLAND

TERMS AND CONDITIONS

Vesting: With the acceptance of a Grant, the Grantee expressly acknowledges that any RSU, PSU and/or SAR shall not give the Grantee any right or entitlement until such Grant is fully vested. The Grant remains fully discretionary until full vesting.

Continuous Employment: In Switzerland, “continuously employed” (or substantially similar term) means the absence of any interruption or termination (issuance of termination notice) of the Grantee’s employment with the Company or with a Subsidiary of the Company. Continuous employment shall not be considered interrupted or terminated in the case of sick leave, military leave or any other leave of absence approved by the Company for which compensation needs to be paid by the Company or salary replacement benefits are granted by any insurance or in the case of transfers between locations of the Company and its Subsidiaries. For the avoidance of any doubt, continuous employment ends in any case with the end of the employment, even if any salary replacement benefits continue to be paid by any insurance, pension scheme or social security.

Retirement: For the purpose of the Plan, only a retirement under the rules and conditions of the Swiss pension scheme of the Subsidiary employing the Grantee shall qualify as retirement for the purpose of vesting of RSU, PSU or termination of SAR, and only if such retirements is (A) at age 62 or older while employed by the Company or any of its Subsidiaries; or (B) at or after such time as the Grantee’s age (minimum of age 55), plus full years of continuous employment by the Company or any of its Subsidiaries, equals 75.

Disability: For purposes of the Plan, the Grantee shall be considered “Disabled” if the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or qualifies as permanent full disability under the applicable Swiss social security and/or pension laws

Non-Competition Agreement: For the avoidance of any doubt, any non-competition agreement entered into between the Grantee and the Company in connection with the Plan and grants thereunder shall be in addition to any non-competition agreement agreed between the Grantee and the employing Subsidiary and shall not replace such non-competition agreement.

NOTIFICATIONS

Exchange Control Notification. The Grantee may hold shares of Common Stock acquired under the Plan outside of Switzerland provided that he or she declares all foreign accounts (including any accounts that were opened or closed during the tax year) on his or her annual Swiss tax declaration.

UNITED ARAB EMIRATES

NOTIFICATIONS

Securities Law Notice. PSUs under the Plan are granted only to select executive officers and other employees of the Company and its subsidiaries for the purpose of providing such eligible persons with incentives and rewards for performance. The Agreement, including this Exhibit, the Plan and any documents the Grantee may receive in connection with the PSUs are intended for distribution to such eligible persons and must not be delivered to, or relied on, by any other person.

The Emirates Securities and Commodities Authority, the Central Bank, the Ministry of Economy and the Dubai Department of Economic Development do not have any responsibility for reviewing or verifying any documents in connection with the Plan nor have they reviewed or approved the Plan or the Agreement. The securities to which this statement relates may be illiquid and/or subject to restrictions on their resale. The Grantee and/or prospective purchasers of the securities offered should conduct their own due diligence on the securities.

If the Grantee does not understand the contents of the Agreement, including this Exhibit, or the Plan, the Grantee should consult an authorized financial adviser.

UNITED KINGDOM

TERMS AND CONDITIONS

U.K. Sub-Plan. The terms of the U.K. Sub-plan apply to the PSUs.

EXHIBIT C

Statement of Management Objectives

This Statement of Management Objectives applies to the performance-based Restricted Stock Units granted to the Grantee on the Date of Grant and applies with respect to the Performance Share Units Agreement between the Company and the Grantee (the “*Agreement*”). Capitalized terms used in the Agreement that are not specifically defined in this Statement of Management Objectives have the meanings assigned to them in the Agreement or in the Plan, as applicable.

Section 1. Definitions. For purposes hereof:

- “*Peer Group*” means S&P 600® Industrials Index.
- “*Relative Total Stockholder Return*” or “*RTSR*” means the percentile rank of the Company’s Total Stockholder Return among the Total Stockholder Returns of all members of the Peer Group, ranked in descending order, at the end of the Performance Period.
- “*Total Stockholder Return*” means, with respect to the Common Stock and the common stock of each of the members of the Peer Group, a rate of return reflecting stock price appreciation, plus the reinvestment of dividends in additional shares of stock on the ex-dividend date, from the beginning of the Performance Period through the end of the Performance Period. For purposes of calculating Total Stockholder Return for each of the Company and the members of the Peer Group, the beginning stock price will be based on the average closing stock price for the 30 calendar days immediately preceding January 1, 2016 on the principal stock exchange on which the stock then traded and the ending stock price will be based on the average closing stock price for the 30 calendar days immediately preceding January 1, 2019 on the principal stock exchange on which the stock then trades.

Section 2. Performance Matrix.

From 0% to 200% of the PSUs will be earned based on achievement of the Management Objectives measured by RTSR during the Performance Period as follows:

Performance Level	Relative Total Stockholder Return	PSUs Earned
Below Threshold	Ranked below 25 th percentile	0%
Threshold	Ranked at 25 th percentile	25%
Target	Ranked at 50 th percentile	100%
Maximum	Ranked at or above 75 th percentile	200%

Notwithstanding anything in this Statement of Management Objectives or the Agreement to the contrary, no PSUs will be earned by the Grantee if Total Stockholder Return for the Company for the Performance Period is negative.

Section 3. Number of PSUs Earned. Following the Performance Period, on the Committee Determination Date, the Committee shall determine whether and to what extent the goals relating to the Management Objectives have been satisfied for the Performance Period and shall determine the number of PSUs that shall become nonforfeitable hereunder and under the Agreement on the basis of the following:

- Below Threshold. If, upon the conclusion of the Performance Period, RTSR for the Performance Period falls below the threshold level, as set forth in the Performance Matrix, no PSUs shall become nonforfeitable.
- Threshold. If, upon the conclusion of the Performance Period, RTSR for the Performance Period equals the threshold level, as set forth in the Performance Matrix, 25% of the PSUs (rounded down to the nearest whole number of PSUs) shall become nonforfeitable.
- Between Threshold and Target. If, upon the conclusion of the Performance Period, RTSR for the Performance Period exceeds the threshold level, but is less than the target level, as set forth in the Performance Matrix, a percentage between 25% and 100% (determined on the basis of straight-line mathematical interpolation) of the PSUs (rounded down to the nearest whole number of PSUs) shall become nonforfeitable.
- Target. If, upon the conclusion of the Performance Period, RTSR for the Performance Period equals the target level, as set forth in the Performance Matrix, 100% of the PSUs shall become nonforfeitable.
- Between Target and Maximum. If, upon the conclusion of the Performance Period, RTSR for the Performance Period exceeds the target level, but is less than the maximum level, as set forth in the Performance Matrix, a percentage between 100% and 200% (determined on the basis of straight-line mathematical interpolation) of the PSUs (rounded down to the nearest whole number of PSUs) shall become nonforfeitable.
- Equals or Exceeds Maximum. If, upon the conclusion of the Performance Period, RTSR for the Performance Period equals or exceeds the maximum level, as set forth in the Performance Matrix, 200% of the PSUs shall become nonforfeitable.

Before all or any portion of any Qualified Performance-Based Award of PSUs shall become nonforfeitable or paid in accordance with this Statement of Management Objectives or the Agreement, the Committee shall determine in writing that the Management Objectives have been satisfied.

HARSCO CORPORATION

RESTRICTED STOCK UNITS AGREEMENT
(FORM)

This RESTRICTED STOCK UNITS AGREEMENT (this “*Agreement*”) is made as of _____, 20__, by and between Harsco Corporation, a Delaware corporation, and _____ (the “*Grantee*”).

1. **Certain Definitions.** Capitalized terms used, but not otherwise defined, in this Agreement will have the meanings given to such terms in the Company’s 2013 Equity and Incentive Compensation Plan (the “*Plan*”).

2. **Grant of RSUs.** Subject to and upon the terms, conditions and restrictions set forth in this Agreement, including, without limitation, **Exhibit A** attached hereto (the “*Non-Competition Agreement*”), and any additional terms and conditions for the Grantee’s country (Grantees outside the United States only) set forth in the attached **Exhibit B** which forms part of this Agreement, and in the Plan the Company has granted to the Grantee, as of _____, 20__ (the “*Date of Grant*”), _____ Restricted Stock Units (“*RSUs*”). Each RSU shall represent the right of the Grantee to receive one share of Common Stock subject to and upon the terms and conditions of this Agreement. Notwithstanding anything in this **Section 2** or otherwise in this Agreement to the contrary, the Grantee acknowledges and agrees to be bound by the restrictive covenant terms, conditions and provisions in the Non-Competition Agreement as a “Grantee” as referred to therein.

3. **Restrictions on Transfer of RSUs.** Subject to **Section 15** of the Plan, neither the RSUs granted hereby nor any interest therein or in the Common Stock related thereto shall be transferable prior to payment to the Grantee pursuant to **Section 5** hereof other than by will or pursuant to the laws of descent and distribution.

4. **Vesting of RSUs.** [Subject to the terms and conditions of this Agreement and the Plan, the RSUs covered by this Agreement shall vest as described in this Section. One-third of the RSUs shall vest on the first anniversary of the Date of Grant if the Grantee remains in the continuous employ of the Company or one of its Subsidiaries from the Date of Grant through such first anniversary. An additional one-third of the RSUs shall vest on each subsequent anniversary of the Date of Grant, through the third anniversary of the Date of Grant, when 100% of the RSUs shall vest, if the Grantee remains in the continuous employ of the Company or one of its Subsidiaries from the Date of Grant through each such anniversary.]

- (a) The RSUs covered by this Agreement shall vest and become nonforfeitable and payable to the Grantee pursuant to **Section 5** hereof as follows, provided you have continuously been employed with the Company or a Subsidiary through such respective Vesting Date:

Percentage of RSU Vesting	Vesting Date
33.3%	(a) One Year from Grant Date
33.3%	(b) Two Years from Grant Date
33.3%	(c) Three Years From Grant Date

Any RSUs that do not so become nonforfeitable on a Vesting Date will be forfeited, including, except as provided in **Section 4(b)** or **Section 4(d)** below, if the Grantee ceases to be continuously employed by the Company or a Subsidiary prior to a Vesting Date. For purposes of this Agreement, “continuously employed” (or substantially similar term) means the absence of any interruption or termination of the Grantee’s employment with the Company or with a Subsidiary of the Company. Continuous employment shall not be considered interrupted or terminated in the case of sick leave, military leave or any other leave of absence approved by the Company or in the case of transfers between locations of the Company and its Subsidiaries.

- (b) Notwithstanding **Section 4(a)** above, all of the RSUs shall become nonforfeitable and payable to the Grantee pursuant to **Section 5** hereof upon the occurrence of any of the following events (each, a “*Paying Event*”) at a time when the RSUs have not been forfeited (to the extent the RSUs have not previously become nonforfeitable):
- (i) the Grantee’s death or becoming Disabled while the Grantee is continuously employed by the Company or any of its Subsidiaries; or
 - (ii) the Grantee’s retirement (A) at age 62 or older while continuously employed by the Company or any of its Subsidiaries; or (B) at or after such time as the Grantee’s age (minimum of age 55), plus full years of continuous employment by the Company or any of its Subsidiaries, equals 75.
- (c) For purposes of this **Section 4**, the Grantee shall be considered “Disabled” if the Grantee is: (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, or (ii) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.
- (d) (i) Notwithstanding **Section 4(a)** above, if at any time before a Vesting Date or forfeiture of the RSUs, and while the Grantee is continuously employed by the Company or a Subsidiary, a Change in Control occurs, then the unvested RSUs will become nonforfeitable and payable to the Grantee in accordance with **Section 5** hereof, except to the extent that a Replacement Award is provided to the Grantee in accordance with **Section 4(d)(ii)** to continue, replace or assume the RSUs covered by this Agreement (the “*Replaced Award*”).
- (ii) For purposes of this Agreement, a “Replacement Award” means an award (A) of the same type (*e.g.*, time-based restricted stock units) as the Replaced Award, (B) that has a value at least equal to the value of the Replaced Award, (C) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control or is payable solely in cash, (D) if the Grantee holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Grantee under the Code are not less favorable to such Grantee than the tax consequences of the Replaced Award, and (E) the other terms and conditions of which are not less favorable to the

Grantee holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this **Section 4(d)(ii)** are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(iii) If, upon receiving a Replacement Award, the Grantee's employment with the Company or a Subsidiary (or any of their successors) (as applicable, the "**Successor**") is subsequently terminated by the Grantee for Good Reason or by the Successor without Cause within a period of two years after the Change in Control, 100% of the Replacement Award will become nonforfeitable and payable with respect to the time-based restricted stock units covered by such Replacement Award.

(iv) A termination by the Grantee for "Good Reason" means Grantee's termination of his or her employment with the Successor as a result of the occurrence of any of the following: (A) a change in the Grantee's principal location of employment that is greater than 50 miles from such location as of the date of this Agreement without the Grantee's consent; provided, however, that the Grantee hereby acknowledges that the Grantee may be required to engage in travel in connection with the performance of the Grantee's duties and that such travel shall not constitute a change in the Grantee's principal location of employment for purposes hereof; (B) a material diminution in the Grantee's base compensation; (C) a change in the Grantee's position with the Successor without the Grantee's consent such that there is a material diminution in the Grantee's authority, duties or responsibilities; or (D) any other action or inaction that constitutes a material breach by the Successor of the agreement, if any, under which the Grantee provides services to the Successor or its subsidiaries. Notwithstanding the foregoing, the Grantee's termination of the Grantee's employment with the Successor as a result of the occurrence of any of the foregoing shall not constitute a termination for "Good Reason" unless (X) the Grantee gives the Successor written notice of such occurrence within 90 days of such occurrence and such occurrence is not cured by the Successor within 30 days of the date on which such written notice is received by the Successor and (Y) the Grantee actually terminates his or her employment with the Successor prior to the 365th day following such occurrence.

(v) A termination by the Successor without "Cause" means the Successor's termination of the Grantee's employment with the Successor under circumstances that do not involve or relate to the occurrence of any of the following: (A) an act or acts of personal dishonesty taken by the Grantee and intended to result in substantial personal enrichment of the Grantee at the expense of the Company; (B) repeated failure by the Grantee to devote reasonable attention and time during normal business hours to the business and affairs of the Company or to use the Grantee's reasonable best efforts to perform faithfully and efficiently the responsibilities assigned to the Grantee (provided that such failure is demonstrated to be willful and deliberate on the Grantee's part and is not remedied in a reasonable period of time after receipt of written notice from the Company); or (C) the conviction of the Grantee of a felony.

5. **Form and Time of Payment of RSUs.**

- (a) Payment for the RSUs, after and to the extent they have become nonforfeitable, shall be made in the form of shares of Common Stock. Except as provided in **Section 5(b)** or **5(c)**, payment shall be made within 10 days following the date that the RSUs become nonforfeitable pursuant to **Section 4** hereof.
- (b) If the RSUs become nonforfeitable (i) by reason of the occurrence of a Change in Control as described in **Section 4(d)**, and if the Change in Control does not constitute a “change in control” for purposes of Section 409A(a)(2)(A)(v) of the Code, or (ii) by reason of a termination of the Grantee’s employment by reason of retirement, and if such termination does not constitute a “separation from service” for purposes of Section 409A(a)(2)(A)(i) of the Code, then payment for RSUs will be made upon the earliest of (v) the Grantee’s “separation from service” with the Company and its Subsidiaries (determined in accordance with Section 409A(a)(2)(A)(i) of the Code), (w) the Vesting Date for such RSUs, (x) the Grantee’s death, (y) the occurrence of a Change in Control that constitutes a “change in control” for purposes of Section 409A(a)(2)(A)(v) of the Code, or (z) the Grantee’s becoming Disabled.
- (c) If the RSUs become payable on the Grantee’s “separation from service” with the Company and its Subsidiaries within the meaning of Section 409A(a)(2)(A)(i) of the Code (including by reason of the Grantee’s retirement as described in **Section 4(b)(ii)**), due to the termination of the Grantee’s employment under the conditions specified in **Section 4(d)(iii)** of this Agreement or by reason of **Section 5(b)** and the Grantee is a “specified employee” as determined pursuant to procedures adopted by the Company in compliance with Section 409A of the Code, then payment for the RSUs shall be made on the earlier of the first day of the seventh month after the date of the Grantee’s “separation from service” with the Company and its Subsidiaries within the meaning of Section 409A(a)(2)(A)(i) of the Code or the Grantee’s death.
- (d) Except to the extent provided by Section 409A of the Code and permitted by the Committee, no Common Stock may be issued to the Grantee at a time earlier than otherwise expressly provided in this Agreement.
- (e) The Company’s obligations to the Grantee with respect to the RSUs will be satisfied in full upon the issuance of Common Stock corresponding to such RSUs.

6. **Dividend Equivalents; Voting and Other Rights.**

- (a) The Grantee shall have no rights of ownership in the Common Stock underlying the RSUs and no right to vote the Common Stock underlying the RSUs until the date on which the shares of Common Stock underlying the RSUs are issued or transferred to the Grantee pursuant to **Section 5** above.
- (b) From and after the Date of Grant and until the earlier of (i) the time when the RSUs become nonforfeitable and are paid in accordance with **Section 5** hereof or (ii) the time when the Grantee's right to receive Common Stock in payment of the RSUs is forfeited in accordance with **Section 4** hereof, on the date that the Company pays a cash dividend (if any) to holders of Common Stock generally, the Grantee shall be entitled to a current cash payment equal to the value of the product of (x) the dollar amount of the cash dividend paid per share of Common Stock on such date and (y) the total number of RSUs covered by this Agreement. Such dividend equivalents (if any) shall be paid in cash during the vesting period for the RSUs.
- (c) The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver shares of Common Stock in the future, and the rights of the Grantee will be no greater than that of an unsecured general creditor. No assets of the Company will be held or set aside as security for the obligations of the Company under this Agreement.

7. **Adjustments.** The RSUs are subject to mandatory adjustment under the terms of Section 11 of the Plan.

8. **Withholding Taxes.** To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with the delivery to the Grantee of Common Stock or any other payment to the Grantee or any other payment or vesting event under this Agreement, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the obligation of the Company to make any such delivery or payment that the Grantee make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. The Grantee may elect that all or any part of such withholding requirement be satisfied by retention by the Company of a portion of the Common Stock to be delivered to the Grantee or by delivering to the Company other shares of Common Stock held by the Grantee. If such election is made, the shares so retained shall be credited against such withholding requirement at the Market Value per Share of such Common Stock on the date of such delivery. In no event will the market value of the Common Stock to be withheld and/or delivered pursuant to this **Section 8** to satisfy applicable withholding taxes exceed the minimum amount of taxes required to be withheld.

9. **Compliance With Law.** The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of the Plan and this Agreement, the Company shall not be obligated to issue any Common Stock pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

10. **Compliance With Section 409A of the Code.** To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code. This Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force or effect

until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Grantee).

11. **Interpretation**. Any reference in this Agreement to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service. Except as expressly provided in this Agreement, capitalized terms used herein will have the meaning ascribed to such terms in the Plan.

12. **No Employment Rights**. The grant of the RSUs under this Agreement to the Grantee is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the RSUs and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing contained in this Agreement shall confer upon the Grantee any right to be employed or remain employed by the Company or any of its Subsidiaries, nor limit or affect in any manner the right of the Company or any of its Subsidiaries to terminate the employment or adjust the compensation of the Grantee.

13. **Relation to Other Benefits**. Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or any of its Subsidiaries and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or any of its Subsidiaries.

14. **Amendments**. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that (a) no amendment shall adversely affect the rights of the Grantee under this Agreement without the Grantee's written consent, and (b) the Grantee's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code.

15. **Severability**. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

16. **Relation to Plan**. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. In addition, the RSUs shall be subject to the terms and conditions of the Company's clawback policy in effect on the Date of Grant as if such RSUs were "Incentive-Based Compensation" (as such term is defined in such clawback policy).

17. **Successors and Assigns**. Without limiting **Section 3** hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

18. **Acknowledgement**. The Grantee acknowledges that the Grantee (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

19. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and the Grantee has executed this Agreement, effective as of the day and year first above written.

HARSCO CORPORATION

By: /s/ F. Nicholas Grasberger III
Name: F. Nicholas Grasberger III
Title: President and CEO

The undersigned hereby acknowledges receipt of an executed version of this Agreement and accepts the award of RSUs granted hereunder on the terms and conditions set forth herein and in the Plan (including the terms of the Non-Competition Agreement, attached hereto as **Exhibit A**).

GRANTEE

By: _____
Name:

EXHIBIT A

Non-Competition Agreement

1. Grant. Grantee acknowledges that Grantee has access to the confidential and proprietary trade secret information of Harsco Corporation, including its subsidiaries, joint ventures, and operating divisions (the "Company"), as further described below ("Confidential/Proprietary Trade Secret Information"). Further, Grantee acknowledges that Grantee derives significant value from the Company and from the Confidential/Proprietary Trade Secret Information provided during the term of employment with the Company, which enables Grantee to optimize the performance of the Company's performance and Grantee's own personal, professional, and financial benefit. In consideration of the grant described in the award agreement (the "Agreement") to which these terms, conditions and provisions (the "Non-Competition Agreement") are attached as an exhibit, Grantee agrees that, during Grantee's employment by the Company, and for a period of twelve (12) months after the cessation of such employment for any reason (both such periods collectively referred to as the "Restricted Period"), Grantee will not, directly or indirectly, engage in any of the following competitive activities:
 - (a) For Grantee or on behalf of any other corporation, business, partnership, individual, or other entity, directly or indirectly solicit, divert, contract with, or attempt to solicit, divert, or contract with, any customer with whom Grantee had Material Contact during the final two (2) years of Grantee's employment with the Company concerning any products or services that are similar to those that Grantee was responsible for or were otherwise involved with during Grantee's employment with the Company. For purposes of this Non-Competition Agreement, the Grantee will have had "Material Contact" with a customer if: (i) Grantee had business dealings with the customer on the Company's behalf; (ii) Grantee was responsible for supervising or coordinating the dealings between the Company and the customer; or (iii) Grantee obtained Confidential/Proprietary Trade Secret Information about the customer as a result of Grantee's association with the Company;
 - (b) Within the geographic territory where Grantee was employed by the Company, obtained knowledge of Confidential/Proprietary Trade Secret Information, or had contact with the Company's customers, become employed by or otherwise render services to (as a director, employee, contractor or consultant) or have any ownership interest in any business which is engaged in offering the same or similar products or services as, or otherwise competes with those Company, including its subsidiaries and operating unit(s) with which Grantee was employed or in any way involved during the last twelve (12) months of employment with the Company; or
 - (c) (i) induce, offer, assist, encourage or suggest that another business or enterprise offer employment to or enter into a consulting arrangement with any employee, agent or representative of the Company or (ii) induce, offer, assist, encourage or suggest that any employee, agent or representative of the Company, including its subsidiaries and joint ventures, terminate his or her employment or business affiliation with the Company or accept employment with any other business or enterprise.
 - (d) Confidential/Proprietary Trade Secret Information.
 - (i) Grantee agrees to keep secret and confidential all Confidential/Proprietary Trade Secret Information (further described below) acquired by Grantee while employed by the Company or concerning the business and affairs of the Company, its vendors, its customers, and its affiliates (whether of a business, commercial or technological nature), and further agrees that Grantee will not disclose any such Confidential/Proprietary Trade Secret Information so acquired to any individual, partner, company, firm, corporation or other person or use the same in any manner other than in connection with the business and affairs of the Company and its affiliates. Except in the performance of services for the Company, the Grantee will not, for so long as the Confidential/Proprietary Trade Secret Information remains so designated under applicable law, use, disclose, reproduce, distribute, transmit, reverse engineer, decompile, disassemble, or transfer the Confidential/Proprietary Trade Secret Information or any portion thereof.

- (ii) For purposes of this Non-Competition Agreement, “Confidential/Proprietary Trade Secret Information” includes all information of a confidential or proprietary nature that relates to the business, products, services, research or development of the Company, and its affiliates or their respective suppliers, distributors, customers, independent contractors or other business relations. Confidential/Proprietary Trade Secret Information also includes, but is not limited to, the following: (A) internal business information (including information relating to strategic and staffing plans and practices, business, training, financial, marketing, promotional and sales plans and practices, cost, rate and pricing structures, accounting and business methods and customer and supplier lists); (B) identities of, individual requirements of, specific contractual arrangements with and information about, the Company’s suppliers, distributors, customers, independent contractors or other business relations and their confidential information; (C) trade secrets, copyrightable works and other confidential information (including ideas, formulas, recipes, compositions, inventions, innovations, improvements, developments, methods, know-how, manufacturing and production processes and techniques, research and development information, compilations of data and analyses, data and databases relating thereto, techniques, systems, records, manuals, documentation, models, drawings, specifications, designs, plans, proposals, reports and all similar or related information whether patentable or unpatentable and whether or not reduced to practice); (D) other intellectual property rights of the Company, or any of its affiliates; and (E) any other information that would constitute a trade secret under the Pennsylvania Uniform Trade Secrets Act, as amended from time to time (or any successor). The term “Confidential/Proprietary Trade Secret Information” also includes any information or data described above which the Company obtains from another party and which the Company treats as proprietary or designates as trade secrets, whether or not owned or developed by the Company.
- (iii) All documents and materials supplied to Grantee or developed by Grantee in the course of, or as a result of Grantee’s employment at the Company whether in hard copy, electronic format or otherwise shall be the sole property of the Company. Grantee will at any time upon the request of the Company and in any event promptly upon termination of Grantee’s employment or relationship with the Company, but in any event no later than five (5) business days after such termination, deliver all such materials to the Company and will not retain any originals or copies of such materials, whether in hard copy form or as computerized and/or electronic records. Except to the extent approved by the Company or required by Grantee’s bona fide job duties for the Company, the Grantee also agrees that Grantee will not copy or remove from the Company’s place of business or the place of business of a customer of the Company, property or information belonging to the Company or the customer or entrusted to the Company or the customer. In addition, the Grantee agrees that Grantee will not provide any such materials to any competitor of or entity seeking to compete with the Company unless specifically approved in writing by the Company. Notwithstanding anything in paragraph 1(d)(3) of this Non-Competition Agreement to the contrary, if the Company needs to take legal action to secure such return delivery of such materials, Grantee shall be responsible for all legal fees, costs and expenses incurred by the Company in doing so.

2. Subsequent Employment.

(a) Advise the Company of New Employment. In the event of a cessation of Grantee’s employment with the Company, and during the Restricted Period described in paragraph 1 above, Grantee agrees to disclose to the Company, the name and address of any new employer or business affiliation within ten (10) calendar days of Grantee’s accepting such position. In the event that Grantee fails to notify the Company of such new employment or business affiliation as required above, the Restricted Period will be extended by a period equal to the period of nondisclosure.

(b) Grantee’s Ability to Earn Livelihood. Grantee acknowledges that, in the event of a cessation of Grantee’s employment with the Company, for any reason and at any time, the provisions of paragraph 1 of this Non-Competition Agreement will not unreasonably restrict Grantee’s ability to earn a living. Grantee and the Company acknowledge that Grantee’s rights have been limited by this Non-Competition Agreement only to the extent reasonably necessary to protect the legitimate interests of the Company in its Confidential/Proprietary Trade Secret Information.

3. Enforcement. Grantee agrees that if Grantee violates the covenants and agreements set forth in this Non-Competition Agreement, the Company would suffer irreparable harm, and that such harm to the Company may be impossible to measure in monetary damages. Accordingly, in addition to any other remedies which the Company may have at law or in equity, the Company will have the right to have all obligations, undertakings, agreements, covenants and other provisions of this Non-Competition Agreement specifically performed by Grantee, and the Company will have the right to obtain preliminary and permanent injunctive relief to secure specific performance, and to prevent a breach or contemplated breach, of this Non-Competition Agreement. In such event, the Company will be entitled to an accounting and repayment of all profits, compensation, remunerations or benefits which Grantee or others, directly or indirectly, have realized or may realize as a result of, growing out of, or in conjunction with any violation of this Non-Competition Agreement. Such remedies will be an addition to and not in limitation of any injunctive relief or other rights or remedies to which the Company is or may be entitled at law or in equity. In the event that the Company obtains any requested relief in any action brought to enforce the terms of this Non-Competition Agreement through court proceedings, the Company will be entitled to reimbursement for all legal fees, costs and expenses incident to enforcement.
4. Severability. If any section, paragraph, term or provision of this Non-Competition Agreement, or the application thereof, is determined by a competent court or tribunal to be invalid or unenforceable, then the other parts of such section, paragraph, term or provision will not be affected thereby and will be given full force and effect without regard to the invalid or unenforceable portions, and the section, paragraph, term or provision of this Non-Competition Agreement will be deemed modified to the extent necessary to render it valid and enforceable.
5. Miscellaneous.
 - (a) Employment.
 - (i) This Non-Competition Agreement does not constitute a guarantee of employment and termination of employment will not affect the enforceability of this Non-Competition Agreement.
 - (ii) Grantee agrees that if Grantee is transferred from the entity or division which was Grantee's employer at the time Grantee signed this Non-Competition Agreement to employment by another division or another company that is a subsidiary or affiliate of Harsco Corporation, and Grantee has not entered into a superseding agreement with the new employer covering the subject matter of this Non-Competition Agreement, then this Non-Competition Agreement will continue in effect and the Grantee's new employer will be termed "the Company" for all purposes hereunder and will have the right to enforce this Non-Competition Agreement as Grantee's employer. In the event of any subsequent transfer, Grantee's new employer will succeed to all rights under this Non-Competition Agreement so long as such employer will be Harsco Corporation or one of its subsidiaries or affiliates and so long as this Non-Competition Agreement has not been superseded.
 - (b) Headings. The headings contained in this Non-Competition Agreement are inserted for convenience of reference only, and will not be deemed to be a part of this Non-Competition Agreement for any purposes, and will not in any way define or affect the meaning, construction or scope of any of the provisions of this Non-Competition Agreement.
 - (c) Governing Law. This Non-Competition Agreement will be construed under the laws of the Commonwealth of Pennsylvania, without regard to its conflict of law provisions, and the parties consent and agree that the federal and state courts of the Commonwealth of Pennsylvania will have exclusive jurisdiction over any dispute relating to this Non-Competition Agreement.
 - (d) Supplemental Nature of this Non-Competition Agreement. The restrictions set forth in paragraph 1 of this Non-Competition Agreement will be in addition to any other such restrictive covenants agreed to through separate agreements, if any, between Grantee and the Company and will survive the exercise of the equity award evidenced by the Agreement.

- (e) Waiver. The failure by the Company to enforce any right or remedy available to it under this Non-Competition Agreement will not be construed to be a waiver of such right or remedy with respect to any other prior, concurrent or subsequent breach or failure. No waiver of rights under this Non-Competition Agreement will be effective unless made in writing with specific reference to this Non-Competition Agreement.
- (f) Notification. Grantee agreed that the Company may notify any third party about Grantee's obligations under this Non-Competition Agreement until such time as Grantee has performed all of Grantee's obligations hereunder. Upon the Company's request, Grantee agrees to provide the Company with information, including, but not limited to, supplying details of Grantee's subsequent employment, sufficient to verify that Grantee has not breached, or is not breaching, any covenant in this Non-Competition Agreement.
- (g) Acknowledgments.
 - (i) Grantee acknowledges and agrees that this Non-Competition Agreement is in consideration of, (A) the grant evidenced by the Agreement, (B) access to Confidential/Proprietary Trade Secret Information, as required by Grantee's job duties, and (C) access to important customer relationships and the associated customer goodwill of the Company.
 - (ii) Grantee acknowledges that he or she has carefully read and considered the provisions of this Non-Competition Agreement, and that this Non-Competition Agreement is reasonable as to time and scope and activities prohibited, given the Company's need to protect its interests and given the consideration provided to Grantee in the form of the grant evidenced by the Agreement.
 - (iii) Grantee acknowledges that he or she has had an opportunity to consult with an independent legal counsel of Grantee's choosing, and accept the grant contained in the Agreement and continuing employment on the terms set forth in this Non-Competition Agreement.

EXHIBIT B

Additional Terms and Conditions for International Employees

TERMS AND CONDITIONS

This Exhibit B (this “Exhibit”), which is part of the Agreement, contains additional terms and conditions that govern the RSUs granted to the Grantee under the Plan if he or she resides outside the United States. The terms and conditions in Part A apply to *all* Grantees outside the United States. The country-specific terms and conditions and/or notifications in Part B will also apply to the Grantee if he or she resides in one of the countries listed below. Unless otherwise defined, capitalized terms used but not defined in this Exhibit have the meanings set forth in the Plan and/or the Agreement.

NOTIFICATIONS

This Exhibit also includes information regarding exchange controls and certain other issues of which the Grantee should be aware with respect to participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of April 2016. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Grantee not rely on the information in this Exhibit as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time that the Grantee vests in the RSUs or sell shares of Common Stock acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Grantee’s particular situation, and the Company is not in a position to assure the Grantee of a particular result. Accordingly, the Grantee is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to the Grantee’s situation.

Finally, if the Grantee is a citizen or resident, or is considered a resident, of a country other than the one in which he or she is currently working, or transferred employment after the RSUs were granted to him or her, the information contained herein may not be applicable. In addition, the Company shall, in its sole discretion, determine to what extent the additional terms and conditions included herein will apply to you under these circumstances.

A. ALL NON-U.S. COUNTRIES ADDITIONAL TERMS AND CONDITIONS

The following additional terms and conditions will apply to the Grantee if he or she resides in any country outside the United States.

Responsibility for Taxes. The following section replaces Section 8 of the Agreement in its entirety:

The Grantee acknowledges that, regardless of any action taken by the Company or, if different, the Grantee’s employer (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee’s participation in the Plan and legally applicable to the Grantee (“Tax-Related Items”) is and remains the Grantee’s responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSU, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of shares of

Common Stock acquired pursuant to such settlement and the receipt of any dividends and/or any dividend equivalents; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee is subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Grantee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following methods: (i) requiring payment by the Grantee to the Company, on demand, by cash, check or other method of payment as may be determined acceptable by the Company; or (ii) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; or (iii) withholding from proceeds of the sale of shares of Common Stock acquired at vesting of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization) without further consent; or (ii) withholding shares of Common Stock issuable at vesting of the RSUs.

Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Grantee will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, the Grantee is deemed to have been issued the full number of shares of Common Stock subject to the vested RSUs, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items.

Finally, the Grantee agrees to pay the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares or the proceeds of the sale of shares of Common Stock, if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items.

Nature of Grant. In accepting the grant, the Grantee acknowledges, understands and agrees that: (1) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan; (2) all decisions with respect to future RSU or other grants, if any, will be at the sole discretion of the Company; (3) the Grantee is voluntarily participating in the Plan; (4) the RSU and the shares of Common Stock subject to the RSU are not intended to replace any pension rights or compensation; (5) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty; (6) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of the Grantee's employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any), and in consideration of the grant of the RSUs to which the Grantee is otherwise not entitled, the Grantee irrevocably agrees never to institute any claim against the Company, any of its Subsidiaries or the Employer, waives the Grantee's ability, if any, to bring any such claim, and releases the Company, its Subsidiaries and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Grantee shall be

deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim; (7) for purposes of the RSUs, the Grantee's employment or service relationship will be considered terminated as of the date the Grantee is no longer actively providing services to the Company or one of its Subsidiaries (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or providing services or the terms of the Grantee's employment or service agreement, if any) and unless otherwise expressly provided in these Terms and Conditions or determined by the Company, the Grantee's right to vest in the RSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., the Grantee's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Grantee is employed or providing services or the terms of the Grantee's employment or service agreement, if any); the Company shall have the exclusive discretion to determine when the Grantee is no longer actively providing services for purposes of the Grantee's RSU grant (including whether the Grantee may still be considered to be providing services while on an approved leave of absence); (8) unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by these Terms and Conditions do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; (9) the RSUs and the shares of Common Stock subject to the RSUs, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments; and (10) the Grantee acknowledges and agrees that neither the Company, the Employer nor any subsidiary or affiliate of the Company shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Grantee pursuant to the settlement of the RSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Common Stock. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

Data Privacy. *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, including email, of the Grantee's personal data as described in the Agreement and any other RSU grant materials ("Data") by and among, as applicable, the Employer, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.*

The Grantee understands that the Company and the Employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan.

The Grantee understands that Data will be transferred to the Company's stock transfer agent and/or broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan.

The Grantee understands that the recipients of the Data may be located in the United States or elsewhere (including outside the EEA), and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the Company, the Company's stock transfer agent and/or broker, and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. Further, the Grantee understands that the Grantee is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke the Grantee's consent, the Grantee's employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant the Grantee RSUs or other equity awards or administer or maintain such awards. Therefore, the Grantee understands that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

Governing Law and Venue. The RSU grant and the provisions of the Agreement are governed by, and subject to, the internal substantive laws of the State of Delaware in the United States of America (with the exception of its conflict of law provisions).

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or the Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Pennsylvania in the United States of America and agree that such litigation shall be conducted only in the courts of Cumberland County, the Commonwealth of Pennsylvania, or the federal courts for the United States of America for the Middle District of Pennsylvania, and no other courts, where this grant is made and/or to be performed.

Compliance with Law. The following section supplements Section 9 of the Agreement:

Notwithstanding any other provision of the Plan or the Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock, the Company shall not be required to deliver any shares issuable upon settlement of the RSUs prior to the completion of any registration or qualification of the shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Grantee understands that the Company is under no obligation to register or qualify the shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, the Grantee agrees that Company shall have unilateral authority to amend the Plan and the Agreement without the Grantee's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

Language. If the Grantee has received the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means, including email. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Severability. The provisions of these Terms and Conditions are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Imposition of Other Requirements. Subject to Section 14 of the Agreement, the Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Waiver. The Grantee acknowledges that a waiver by the Company of breach of any provision of these Terms and Conditions shall not operate or be construed as a waiver of any other provision of these Terms and Conditions, or of any subsequent breach by the Grantee or any other Participant.

B. COUNTRY-SPECIFIC ADDITIONAL TERMS AND CONDITIONS AND NOTIFICATIONS

AUSTRALIA

TERMS AND CONDITIONS

Settlement of RSUs. Notwithstanding anything to the contrary in the Agreement, due to local regulatory requirements, upon the vesting of the RSUs, the Grantee will receive a cash payment in an amount equal to the value of the shares of Common Stock underlying the vested RSUs on a vesting date. As long as the Grantee resides in Australia, he or she may not receive or hold shares of Common Stock in connection with the RSUs under the Plan. Accordingly, any provisions in the Agreement referring to issuance of shares of Common Stock shall not be applicable to the Grantee as long as he or she resides in Australia.

NOTIFICATIONS

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding \$10,000 and international fund transfers. The Australian bank assisting with the transaction will file the report. If there is no Australian bank involved in the transfer, Grantee will be required to file the report.

BELGIUM

NOTIFICATIONS

Tax Reporting Information. Grantee is required to report any bank accounts opened and maintained outside of Belgium on his or her annual Belgian tax return.

BRAZIL

TERMS AND CONDITIONS

Compliance with Law. By accepting the RSUs, the Grantee acknowledges that he or she agrees to comply with applicable Brazilian laws and pay any and all applicable taxes associated with the vesting of the RSUs, the receipt of any dividends, and the sale of shares of Common Stock acquired under the Plan.

NOTIFICATIONS

Exchange Control Information. If the Grantee is resident or domiciled in Brazil, he or she will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US \$100,000. Assets and rights that must be reported include shares of Common Stock.

CHINA

TERMS AND CONDITIONS

Settlement of RSUs. Notwithstanding anything to the contrary in the Agreement, due to local regulatory requirements, upon the vesting of the RSUs, the Grantee will receive a cash payment in China via the Company's local Chinese payroll in an amount equal to the value of the shares of Common Stock underlying the vested RSUs on a vesting date. As long as the Grantee resides in China, he or she may not receive or hold shares of Common Stock in connection with the RSUs under the Plan. Accordingly, any provisions in the Agreement referring to issuance of shares of Common Stock shall not be applicable to the Grantee as long as he or she resides in China.

FRANCE

TERMS AND CONDITIONS

Consent to Receive Information in English. By accepting the grant of the RSUs, the Grantee confirms having read and understood the Plan and the Agreement, which were provided in the English language. The Grantee accepts the terms of those documents accordingly.

En acceptant cette attribution gratuite d'actions, le Grantee confirme avoir lu et compris le Plan et ce Contrat, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Grantee accepte les dispositions de ces documents en connaissance de cause.

NOTIFICATIONS

Tax Notification. The RSUs are not intended to be French tax-qualified. Please be aware that the Company intends that any outstanding RSUs granted to you pursuant to the 1995 Executive Incentive Compensation Plan Sub-plan for Restricted Stock Units Granted to Participants in France will continue to meet the requirements for qualified status under French law; therefore, different terms and conditions will apply to such outstanding RSUs. Please refer to the Restricted Stock Unit Agreement for Employees in France applicable to your grant for further details.

Exchange Control Notification. The Grantee may hold shares of Common Stock acquired under the Plan outside of France provided that he or she declares all foreign accounts (including any accounts that were opened or closed during the tax year) on his or her annual French income tax return.

LUXEMBOURG

NOTIFICATIONS

Exchange Control Information. Grantee understands that Grantee is required to report any inward remittances of funds to the Banque Centrale de Luxembourg and/or the Service Central de la Statistique et des Études Économiques within 15 working days following the month during which the transaction occurred unless such payment is reported by a Luxembourg-resident financial institution.

SWITZERLAND

TERMS AND CONDITIONS

Vesting: With the acceptance of a Grant, the Grantee expressly acknowledges that any RSU, PSU and/or SAR shall not give the Grantee any right or entitlement until such Grant is fully vested. The Grant remains fully discretionary until full vesting.

Continuous Employment: In Switzerland, “continuously employed” (or substantially similar term) means the absence of any interruption or termination (issuance of termination notice) of the Grantee’s employment with the Company or with a Subsidiary of the Company. Continuous employment shall not be considered interrupted or terminated in the case of sick leave, military leave or any other leave of absence approved by the Company for which compensation needs to be paid by the Company or salary replacement benefits are granted by any insurance or in the case of transfers between locations of the Company and its Subsidiaries. For the avoidance of any doubt, continuous employment ends in any case with the end of the employment, even if any salary replacement benefits continue to be paid by any insurance, pension scheme or social security.

Retirement: For the purpose of the Plan, only a retirement under the rules and conditions of the Swiss pension scheme of the Subsidiary employing the Grantee shall qualify as retirement for the purpose of vesting of RSU, PSU or termination of SAR, and only if such retirements is (A) at age 62 or older while employed by the Company or any of its Subsidiaries; or (B) at or after such time as the Grantee’s age (minimum of age 55), plus full years of continuous employment by the Company or any of its Subsidiaries, equals 75.

Disability: For purposes of the Plan, the Grantee shall be considered “Disabled” if the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or qualifies as permanent full disability under the applicable Swiss social security and/or pension laws.

Non-Competition Agreement: For the avoidance of any doubt, any non-competition agreement entered into between the Grantee and the Company in connection with the Plan and grants thereunder shall be in addition to any non-competition agreement agreed between the Grantee and the employing Subsidiary and shall not replace such non-competition agreement.

NOTIFICATIONS

Exchange Control Notification. The Grantee may hold shares of Common Stock acquired under the Plan outside of Switzerland provided that he or she declares all foreign accounts (including any accounts that were opened or closed during the tax year) on his or her annual Swiss tax declaration.

UNITED ARAB EMIRATES

NOTIFICATIONS

Securities Law Notice. RSUs under the Plan are granted only to select executive officers and other employees of the Company and its subsidiaries for the purpose of providing such eligible persons with incentives and rewards for performance. The Agreement, including this Exhibit, the Plan and any documents the Grantee may receive in connection with the RSUs are intended for distribution to such eligible persons and must not be delivered to, or relied on, by any other person.

The Emirates Securities and Commodities Authority, the Central Bank, the Ministry of Economy and the Dubai Department of Economic Development do not have any responsibility for reviewing or verifying any documents in connection with the Plan nor have they reviewed or approved the Plan or the Agreement. The securities to which this statement relates may be illiquid and/or subject to restrictions on their resale. The Grantee and/or prospective purchasers of the securities offered should conduct their own due diligence on the securities.

If the Grantee does not understand the contents of the Agreement, including this Exhibit, or the Plan, the Grantee should consult an authorized financial adviser.

UNITED KINGDOM

TERMS AND CONDITIONS

U.K. Sub-Plan. The terms of the U.K. Sub-plan apply to the RSUs.

HARSCO CORPORATION
STOCK APPRECIATION RIGHTS AGREEMENT
(FORM)

This STOCK APPRECIATION RIGHTS AGREEMENT (this “*Agreement*”) is made as of _____, 20__, by and between Harsco Corporation, a Delaware corporation and _____ (the “*Grantee*”).

1. **Certain Definitions.** Capitalized terms used, but not otherwise defined, in this Agreement will have the meanings given to such terms in the Company’s 2013 Equity and Incentive Compensation Plan (the “*Plan*”). In addition, for purposes of this Agreement, “Base Price” means \$ _____, which was the Market Value per Share of the Common Stock on _____, 20__ (the “*Date of Grant*”).

2. **Grant of SARs.** Subject to and upon the terms, conditions and restrictions set forth in this Agreement, including, without limitation, **Exhibit A** attached hereto (the “*Non-Competition Agreement*”), and any additional terms and conditions for the Grantee’s country (Grantees outside the United States only) set forth in the attached **Exhibit B** which forms part of this Agreement, and in the Plan the Company has granted to the Grantee, as of the Date of Grant, _____ Free-Standing Appreciation Rights (“*SARs*”). The SARs represent the right of the Grantee to receive shares of Common Stock in an amount equal to 100% of the Spread on the date on which the SARs are exercised. Notwithstanding anything in this **Section 2** or otherwise in this Agreement to the contrary, the Grantee acknowledges and agrees to be bound by the restrictive covenant terms, conditions and provisions in the Non-Competition Agreement as a “Grantee” as referred to therein.

3. **Vesting of SARs.**

(a) Subject to the terms and conditions of this Agreement and the Plan, the SARs covered by this Agreement shall become exercisable as described in this Section. One-third of the SARs shall become exercisable on the first anniversary of the Date of Grant if the Grantee remains in the continuous employ of the Company or one of its Subsidiaries from the Date of Grant through such first anniversary. An additional one-third of the SARs shall become exercisable on each subsequent anniversary of the Date of Grant, through the third anniversary of the Date of Grant, when 100% of the SARs shall have become exercisable, if the Grantee remains in the continuous employ of the Company or one of its Subsidiaries from the Date of Grant through each such anniversary. For purposes of this Agreement, “continuous employ” (or substantially similar term) means the absence of any interruption or termination of the Grantee’s employment with the Company or with a Subsidiary of the Company. Continuous employment shall not be considered interrupted or terminated in the case of sick leave, military leave or any other leave of absence approved by the Company or in the case of transfers between locations of the Company and its Subsidiaries.

(b) Notwithstanding **Section 3(a)** above, the SARs granted hereby shall become immediately exercisable in full if at any time during the continuous employment of the Grantee with the Company or a Subsidiary of the Company and prior to the termination of the SARs any of the following events occur:

- (i) the Grantee's death or becoming Disabled while the Grantee is continuously employed by the Company or any of its Subsidiaries; or
- (ii) the Grantee's retirement (A) at age 62 or older while continuously employed by the Company or any of its Subsidiaries; or (B) at or after such time as the Grantee's age (minimum of age 55), plus full years of continuous employment by the Company or any of its Subsidiaries, equals 75.

(c) For purposes of this **Section 3**, the Grantee shall be considered "Disabled" if the Grantee is: (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, or (ii) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

(d) (i) Notwithstanding **Section 3(a)** above, if at any time before the third anniversary of the Date of Grant or the termination of the SARs, and while the Grantee is continuously employed by the Company or a Subsidiary, a Change in Control occurs, then the SARs will become fully exercisable, except to the extent that a Replacement Award is provided to the Grantee in accordance with **Section 3(d)(ii)** to continue, replace or assume the SARs covered by this Agreement (the "**Replaced Award**").

(ii) For purposes of this Agreement, a "Replacement Award" means an award (A) of the same type (*e.g.*, time-based stock appreciation rights) as the Replaced Award, (B) that has a value at least equal to the value of the Replaced Award, (C) that relates to publicly traded equity securities of the Company or its successor in the Change in Control or another entity that is affiliated with the Company or its successor following the Change in Control or is payable solely in cash, (D) if the Grantee holding the Replaced Award is subject to U.S. federal income tax under the Code, the tax consequences of which to such Grantee under the Code are not less favorable to such Grantee than the tax consequences of the Replaced Award, and (E) the other terms and conditions of which are not less favorable to the Grantee holding the Replaced Award than the terms and conditions of the Replaced Award (including the provisions that would apply in the event of a subsequent Change in Control). A Replacement Award may be granted only to the extent it does not result in the Replaced Award or Replacement Award failing to comply with or be exempt from Section 409A of the Code. Without limiting the generality of the foregoing, the Replacement Award may take the form of a continuation of the Replaced Award if the requirements of the two preceding sentences are satisfied. The determination of whether the conditions of this **Section 3(d)(ii)** are satisfied will be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(iii) If, upon receiving a Replacement Award, the Grantee's employment with the Company or a Subsidiary (or any of their successors) (as applicable, the "**Successor**") is subsequently terminated by the Grantee for Good Reason or by the Successor without Cause within a period of two years after the Change in Control, 100% of the Replacement Award will become exercisable with respect to the time-based stock appreciation rights covered by such Replacement Award.

(iv) A termination by the Grantee for “Good Reason” means Grantee’s termination of his or her employment with the Successor as a result of the occurrence of any of the following: (A) a change in the Grantee’s principal location of employment that is greater than 50 miles from such location as of the date of this Agreement without the Grantee’s consent; provided, however, that the Grantee hereby acknowledges that the Grantee may be required to engage in travel in connection with the performance of the Grantee’s duties and that such travel shall not constitute a change in the Grantee’s principal location of employment for purposes hereof; (B) a material diminution in the Grantee’s base compensation; (C) a change in the Grantee’s position with the Successor without the Grantee’s consent such that there is a material diminution in the Grantee’s authority, duties or responsibilities; or (D) any other action or inaction that constitutes a material breach by the Successor of the agreement, if any, under which the Grantee provides services to the Successor or its subsidiaries. Notwithstanding the foregoing, the Grantee’s termination of the Grantee’s employment with the Successor as a result of the occurrence of any of the foregoing shall not constitute a termination for “Good Reason” unless (X) the Grantee gives the Successor written notice of such occurrence within 90 days of such occurrence and such occurrence is not cured by the Successor within 30 days of the date on which such written notice is received by the Successor and (Y) the Grantee actually terminates his or her employment with the Successor prior to the 365th day following such occurrence.

(v) A termination by the Successor without “Cause” means the Successor’s termination of the Grantee’s employment with the Successor under circumstances that do not involve or relate to the occurrence of any of the following: (A) an act or acts of personal dishonesty taken by the Grantee and intended to result in substantial personal enrichment of the Grantee at the expense of the Company; (B) repeated failure by the Grantee to devote reasonable attention and time during normal business hours to the business and affairs of the Company or to use the Grantee’s reasonable best efforts to perform faithfully and efficiently the responsibilities assigned to the Grantee (provided that such failure is demonstrated to be willful and deliberate on the Grantee’s part and is not remedied in a reasonable period of time after receipt of written notice from the Company); or (C) the conviction of the Grantee of a felony.

4. **Exercise of SARs.**

(a) To the extent exercisable as provided in **Section 3** of this Agreement, the SARs may be exercised in whole or in part by delivery to the Company of a notice in form and substance satisfactory to the Company specifying the number of SARs to be exercised and the date of exercise.

(b) Upon exercise, the Company will issue to the Grantee, with respect to the number of SARs that are exercised, the number of shares of Common Stock that equals the Market Value per Share of Common Stock on the date of exercise divided into the Spread, rounded down to the nearest whole share.

5. **Termination of SARs.** Both exercisable and nonexercisable SARs shall terminate, as provided below, after the end of the earliest to occur of the following periods:

(a) 90 days after the Grantee ceases to be an employee of the Company or a Subsidiary, unless the Grantee ceases to be such employee in a manner described in clause (b), (c), (d) or (e) of this Section;

(b) One year after the Grantee's becoming Disabled, if the Grantee becomes Disabled while continuously employed by the Company or a Subsidiary;

(c) One year after the death of the Grantee, if the Grantee dies while continuously employed by the Company or a Subsidiary or within the period specified in clause (b) above or clause (d) below if applicable to the Grantee;

(d) One year after the Grantee retires from continuous employment with the Company or a Subsidiary if (i) the Grantee is at the time of such retirement at least age 62, or (ii) when the Grantee retires, the Grantee's age, plus full years of continuous employment by the Company or any of its Subsidiaries, equals 75;

(e) One year after the Grantee ceases to be an employee of the Successor under the conditions specified in **Section 3(d)** of this Agreement; and

(f) Ten years from the Date of Grant.

6. **Transferability.** Subject to Section 15 of the Plan, no SAR or any interest therein shall be transferable prior to exercise pursuant to **Section 4** hereof other than by will or pursuant to the laws of descent and distribution and may be exercised during the Grantee's lifetime only by the Grantee or, in the event of the Grantee's legal incapacity to do so, by the Grantee's guardian or legal representative acting on behalf of the Grantee in a fiduciary capacity under state law or court supervision.

7. **Compliance with Law.** The SARs shall not be exercisable if such exercise would involve a violation of any applicable federal or state securities law, and the Company hereby agrees to make reasonable efforts to comply with any applicable federal and state securities laws.

8. **Adjustments.** The SARs are subject to mandatory adjustment under the terms of Section 11 of the Plan.

9. **Withholding Taxes.** To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with the exercise of the SARs, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to such exercise that the Grantee make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. The Grantee may elect that all or any part of such withholding requirement be satisfied by retention by the Company of a portion of the Common Stock to be delivered to the Grantee or by delivering to the Company other shares of Common Stock held by the Grantee. If such election is made, the shares so retained shall be credited against such withholding requirement at the Market Value per Share of such Common Stock on the date of such exercise. In no event shall the market value of the Common Stock to be withheld and/or delivered pursuant to this **Section 9** to satisfy applicable withholding taxes exceed the minimum amount of taxes required to be withheld.

10. **No Employment Rights.** The grant of the SARs under this Agreement to the Grantee is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards. The grant of the SARs and any payments made hereunder will not be considered salary or other compensation for purposes of any severance pay or similar allowance, except as otherwise required by law. Nothing in this Agreement will give the Grantee any right to continue employment with the Company or any Subsidiary, as the case may be, or interfere in any way with the right of the Company or a Subsidiary to terminate the employment of the Grantee at any time.

11. **Relation to Other Benefits.** Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

12. **Amendments.** Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that (a) no amendment shall adversely affect the rights of the Grantee under this Agreement without the Grantee's written consent, and (b) the Grantee's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code.

13. **Severability.** In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

14. **Relation to Plan.** This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein or in the Plan, have the right to determine any questions which arise in connection with this Agreement. In addition, the SARs shall be subject to the terms and conditions of the Company's clawback policy in effect on the Date of Grant as if such SARs were "Incentive-Based Compensation" (as such term is defined in such clawback policy).

15. **Successors and Assigns.** Without limiting **Section 6** hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

16. **Acknowledgement.** The Grantee acknowledges that the Grantee (a) has received a copy of the Plan, (b) has had an opportunity to review the terms of this Agreement and the Plan, (c) understands the terms and conditions of this Agreement and the Plan and (d) agrees to such terms and conditions.

17. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same Agreement.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and the Grantee has executed this Agreement, effective as of the day and year first above written.

HARSCO CORPORATION

By: /s/ F. Nicholas

Grasberger III

Name: F. Nicholas Grasberger III

Title: President and CEO

The undersigned hereby acknowledges receipt of an executed version of this Agreement and accepts the award of SARs granted hereunder on the terms and conditions set forth herein and in the Plan (including the terms of the Non-Competition Agreement, attached hereto as **Exhibit A**).

GRANTEE

By: _____

Name:

EXHIBIT A

Non-Competition Agreement

1. Grant. Grantee acknowledges that Grantee has access to the confidential and proprietary trade secret information of Harsco Corporation, including its subsidiaries, joint ventures, and operating divisions (the "Company"), as further described below ("Confidential/Proprietary Trade Secret Information"). Further, Grantee acknowledges that Grantee derives significant value from the Company and from the Confidential/Proprietary Trade Secret Information provided during the term of employment with the Company, which enables Grantee to optimize the performance of the Company's performance and Grantee's own personal, professional, and financial benefit. In consideration of the grant described in the award agreement (the "Agreement") to which these terms, conditions and provisions (the "Non-Competition Agreement") are attached as an exhibit, Grantee agrees that, during Grantee's employment by the Company, and for a period of twelve (12) months after the cessation of such employment for any reason (both such periods collectively referred to as the "Restricted Period"), Grantee will not, directly or indirectly, engage in any of the following competitive activities:
 - (a) For Grantee or on behalf of any other corporation, business, partnership, individual, or other entity, directly or indirectly solicit, divert, contract with, or attempt to solicit, divert, or contract with, any customer with whom Grantee had Material Contact during the final two (2) years of Grantee's employment with the Company concerning any products or services that are similar to those that Grantee was responsible for or were otherwise involved with during Grantee's employment with the Company. For purposes of this Non-Competition Agreement, the Grantee will have had "Material Contact" with a customer if: (i) Grantee had business dealings with the customer on the Company's behalf; (ii) Grantee was responsible for supervising or coordinating the dealings between the Company and the customer; or (iii) Grantee obtained Confidential/Proprietary Trade Secret Information about the customer as a result of Grantee's association with the Company;
 - (b) Within the geographic territory where Grantee was employed by the Company, obtained knowledge of Confidential/Proprietary Trade Secret Information, or had contact with the Company's customers, become employed by or otherwise render services to (as a director, employee, contractor or consultant) or have any ownership interest in any business which is engaged in offering the same or similar products or services as, or otherwise competes with those Company, including its subsidiaries and operating unit(s) with which Grantee was employed or in any way involved during the last twelve (12) months of employment with the Company; or
 - (c) (i) induce, offer, assist, encourage or suggest that another business or enterprise offer employment to or enter into a consulting arrangement with any employee, agent or representative of the Company or (ii) induce, offer, assist, encourage or suggest that any employee, agent or representative of the Company, including its subsidiaries and joint ventures, terminate his or her employment or business affiliation with the Company or accept employment with any other business or enterprise.
 - (d) Confidential/Proprietary Trade Secret Information.
 - (i) Grantee agrees to keep secret and confidential all Confidential/Proprietary Trade Secret Information (further described below) acquired by Grantee while employed by the Company or concerning the business and affairs of the Company, its vendors, its customers, and its affiliates (whether of a business, commercial or technological nature), and further agrees that Grantee will not disclose any such Confidential/Proprietary Trade Secret Information so acquired to any individual, partner, company, firm, corporation or other person or use the same in any manner other than in connection with the business and affairs of the Company and its affiliates. Except in the performance of services for the Company, the Grantee will not, for so long as the Confidential/Proprietary Trade Secret Information remains so designated under applicable law, use, disclose, reproduce, distribute, transmit, reverse engineer, decompile, disassemble, or transfer the Confidential/Proprietary Trade Secret Information or any portion thereof.

- (ii) For purposes of this Non-Competition Agreement, “Confidential/Proprietary Trade Secret Information” includes all information of a confidential or proprietary nature that relates to the business, products, services, research or development of the Company, and its affiliates or their respective suppliers, distributors, customers, independent contractors or other business relations. Confidential/Proprietary Trade Secret Information also includes, but is not limited to, the following: (A) internal business information (including information relating to strategic and staffing plans and practices, business, training, financial, marketing, promotional and sales plans and practices, cost, rate and pricing structures, accounting and business methods and customer and supplier lists); (B) identities of, individual requirements of, specific contractual arrangements with and information about, the Company’s suppliers, distributors, customers, independent contractors or other business relations and their confidential information; (C) trade secrets, copyrightable works and other confidential information (including ideas, formulas, recipes, compositions, inventions, innovations, improvements, developments, methods, know-how, manufacturing and production processes and techniques, research and development information, compilations of data and analyses, data and databases relating thereto, techniques, systems, records, manuals, documentation, models, drawings, specifications, designs, plans, proposals, reports and all similar or related information whether patentable or unpatentable and whether or not reduced to practice); (D) other intellectual property rights of the Company, or any of its affiliates; and (E) any other information that would constitute a trade secret under the Pennsylvania Uniform Trade Secrets Act, as amended from time to time (or any successor). The term “Confidential/Proprietary Trade Secret Information” also includes any information or data described above which the Company obtains from another party and which the Company treats as proprietary or designates as trade secrets, whether or not owned or developed by the Company.
- (iii) All documents and materials supplied to Grantee or developed by Grantee in the course of, or as a result of Grantee’s employment at the Company whether in hard copy, electronic format or otherwise shall be the sole property of the Company. Grantee will at any time upon the request of the Company and in any event promptly upon termination of Grantee’s employment or relationship with the Company, but in any event no later than five (5) business days after such termination, deliver all such materials to the Company and will not retain any originals or copies of such materials, whether in hard copy form or as computerized and/or electronic records. Except to the extent approved by the Company or required by Grantee’s bona fide job duties for the Company, the Grantee also agrees that Grantee will not copy or remove from the Company’s place of business or the place of business of a customer of the Company, property or information belonging to the Company or the customer or entrusted to the Company or the customer. In addition, the Grantee agrees that Grantee will not provide any such materials to any competitor of or entity seeking to compete with the Company unless specifically approved in writing by the Company. Notwithstanding anything in paragraph 1(d) (3) of this Non-Competition Agreement to the contrary, if the Company needs to take legal action to secure such return delivery of such materials, Grantee shall be responsible for all legal fees, costs and expenses incurred by the Company in doing so.

2. Subsequent Employment.

- (a) Advise the Company of New Employment. In the event of a cessation of Grantee’s employment with the Company, and during the Restricted Period described in paragraph 1 above, Grantee agrees to disclose to the Company, the name and address of any new employer or business affiliation within ten (10) calendar days of Grantee’s accepting such position. In the event that Grantee fails to notify the Company of such new employment or business affiliation as required above, the Restricted Period will be extended by a period equal to the period of nondisclosure.
- (b) Grantee’s Ability to Earn Livelihood. Grantee acknowledges that, in the event of a cessation of Grantee’s employment with the Company, for any reason and at any time, the provisions of paragraph 1 of this Non-Competition Agreement will not unreasonably restrict Grantee’s ability to earn a living. Grantee and the Company acknowledge that Grantee’s rights have been limited by this Non-Competition Agreement

only to the extent reasonably necessary to protect the legitimate interests of the Company in its Confidential/
Proprietary Trade Secret Information.

3. Enforcement. Grantee agrees that if Grantee violates the covenants and agreements set forth in this Non-Competition Agreement, the Company would suffer irreparable harm, and that such harm to the Company may be impossible to measure in monetary damages. Accordingly, in addition to any other remedies which the Company may have at law or in equity, the Company will have the right to have all obligations, undertakings, agreements, covenants and other provisions of this Non-Competition Agreement specifically performed by Grantee, and the Company will have the right to obtain preliminary and permanent injunctive relief to secure specific performance, and to prevent a breach or contemplated breach, of this Non-Competition Agreement. In such event, the Company will be entitled to an accounting and repayment of all profits, compensation, remunerations or benefits which Grantee or others, directly or indirectly, have realized or may realize as a result of, growing out of, or in conjunction with any violation of this Non-Competition Agreement. Such remedies will be an addition to and not in limitation of any injunctive relief or other rights or remedies to which the Company is or may be entitled at law or in equity. In the event that the Company obtains any requested relief in any action brought to enforce the terms of this Non-Competition Agreement through court proceedings, the Company will be entitled to reimbursement for all legal fees, costs and expenses incident to enforcement.
4. Severability. If any section, paragraph, term or provision of this Non-Competition Agreement, or the application thereof, is determined by a competent court or tribunal to be invalid or unenforceable, then the other parts of such section, paragraph, term or provision will not be affected thereby and will be given full force and effect without regard to the invalid or unenforceable portions, and the section, paragraph, term or provision of this Non-Competition Agreement will be deemed modified to the extent necessary to render it valid and enforceable.
5. Miscellaneous.
 - (a) Employment.
 - (i) This Non-Competition Agreement does not constitute a guarantee of employment and termination of employment will not affect the enforceability of this Non-Competition Agreement.
 - (ii) Grantee agrees that if Grantee is transferred from the entity or division which was Grantee's employer at the time Grantee signed this Non-Competition Agreement to employment by another division or another company that is a subsidiary or affiliate of Harsco Corporation, and Grantee has not entered into a superseding agreement with the new employer covering the subject matter of this Non-Competition Agreement, then this Non-Competition Agreement will continue in effect and the Grantee's new employer will be termed "the Company" for all purposes hereunder and will have the right to enforce this Non-Competition Agreement as Grantee's employer. In the event of any subsequent transfer, Grantee's new employer will succeed to all rights under this Non-Competition Agreement so long as such employer will be Harsco Corporation or one of its subsidiaries or affiliates and so long as this Non-Competition Agreement has not been superseded.
 - (b) Headings. The headings contained in this Non-Competition Agreement are inserted for convenience of reference only, and will not be deemed to be a part of this Non-Competition Agreement for any purposes, and will not in any way define or affect the meaning, construction or scope of any of the provisions of this Non-Competition Agreement.
 - (c) Governing Law. This Non-Competition Agreement will be construed under the laws of the Commonwealth of Pennsylvania, without regard to its conflict of law provisions, and the parties consent and agree that the federal and state courts of the Commonwealth of Pennsylvania will have exclusive jurisdiction over any dispute relating to this Non-Competition Agreement.
 - (d) Supplemental Nature of this Non-Competition Agreement. The restrictions set forth in paragraph 1 of this Non-Competition Agreement will be in addition to any other such restrictive covenants agreed to through

separate Non-Competition Agreements, if any, between Grantee and the Company and will survive the vesting or exercise of the equity award evidenced by the Agreement.

- (e) Waiver. The failure by the Company to enforce any right or remedy available to it under this Non-Competition Agreement will not be construed to be a waiver of such right or remedy with respect to any other prior, concurrent or subsequent breach or failure. No waiver of rights under this Non-Competition Agreement will be effective unless made in writing with specific reference to this Non-Competition Agreement.
- (f) Notification. Grantee agreed that the Company may notify any third party about Grantee's obligations under this Non-Competition Agreement until such time as Grantee has performed all of Grantee's obligations hereunder. Upon the Company's request, Grantee agrees to provide the Company with information, including, but not limited to, supplying details of Grantee's subsequent employment, sufficient to verify that Grantee has not breached, or is not breaching, any covenant in this Non-Competition Agreement.
- (g) Acknowledgments.
 - (i) Grantee acknowledges and agrees that this Non-Competition Agreement is in consideration of, (A) the grant evidenced by the Agreement, (B) access to Confidential/Proprietary Trade Secret Information, as required by Grantee's job duties, and (C) access to important customer relationships and the associated customer goodwill of the Company.
 - (ii) Grantee acknowledges that he or she has carefully read and considered the provisions of this Non-Competition Agreement, and that this Non-Competition Agreement is reasonable as to time and scope and activities prohibited, given the Company's need to protect its interests and given the consideration provided to Grantee in the form of the grant evidenced by the Agreement.
 - (iii) Grantee acknowledges that he or she has had an opportunity to consult with an independent legal counsel of Grantee's choosing, and accept the grant contained in the Agreement and continuing employment on the terms set forth in this Non-Competition Agreement.

EXHIBIT B

Additional Terms and Conditions for International Employees

TERMS AND CONDITIONS

This Exhibit B (this “Exhibit”), which is part of the Agreement, contains additional terms and conditions that govern the SARs granted to the Grantee under the Plan if he or she resides outside the United States. The terms and conditions in Part A apply to *all* Grantees outside the United States. The country-specific terms and conditions and/or notifications in Part B will also apply to the Grantee if he or she resides in one of the countries listed below. Unless otherwise defined, capitalized terms used but not defined in this Exhibit have the meanings set forth in the Plan and/or the Agreement.

NOTIFICATIONS

This Exhibit also includes information regarding exchange controls and certain other issues of which the Grantee should be aware with respect to participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of April 2016. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Grantee not rely on the information in this Exhibit as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time that the Grantee exercises the SARs or sell shares of Common Stock acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Grantee’s particular situation, and the Company is not in a position to assure the Grantee of a particular result. Accordingly, the Grantee is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to the Grantee’s situation.

Finally, if the Grantee is a citizen or resident, or is considered a resident, of a country other than the one in which he or she is currently working, or transferred employment after the SARs were granted to him or her, the information contained herein may not be applicable. In addition, the Company shall, in its sole discretion, determine to what extent the additional terms and conditions included herein will apply to you under these circumstances.

A. ALL NON-U.S. COUNTRIES ADDITIONAL TERMS AND CONDITIONS

The following additional terms and conditions will apply to the Grantee if he or she resides in any country outside the United States.

Responsibility for Taxes. The following section replaces Section 9 of the Agreement in its entirety:

The Grantee acknowledges that, regardless of any action taken by the Company or, if different, the Grantee’s employer (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee’s participation in the Plan and legally applicable to the Grantee (“Tax-Related Items”) is and remains the Grantee’s responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the SARs, including, but not limited to, the grant, vesting or exercise of the SARs, the subsequent sale of shares of Common Stock acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not

commit to and are under no obligation to structure the terms of the grant or any aspect of the SARs to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee is subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, the Grantee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by any one or a combination of the following methods: (i) requiring payment by the Grantee to the Company, on demand, by cash, check or other method of payment as may be determined acceptable by the Company; or (ii) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; or (iii) withholding from proceeds of the sale of shares of Common Stock acquired at exercise of the SARs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization) without further consent; or (ii) withholding shares of Common Stock issuable at exercise of the SARs.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case the Grantee will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, the Grantee is deemed to have been issued the full number of shares of Common Stock subject to the exercised SARs, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items.

Finally, the Grantee agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares or the proceeds of the sale of shares of Common Stock, if the Grantee fails to comply with his or her obligations in connection with the Tax-Related Items.

Nature of Grant. In accepting the SARs, the Grantee acknowledges, understands and agrees that: (1) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan; (2) all decisions with respect to future SARs or other grants, if any, will be at the sole discretion of the Company; (3) the Grantee is voluntarily participating in the Plan; (4) the SARs and any shares of Common Stock acquired under the Plan are not intended to replace any pension rights or compensation; (5) the future value of the shares of Common Stock underlying the SARs is unknown, indeterminable and cannot be predicted with certainty; (6) if the underlying shares of Common Stock do not increase in value, the SARs will have no value; (7) if the Grantee exercises the SARs and acquires shares of Common Stock, the value of such shares of Common Stock may increase or decrease in value, even below the Base Price; (8) no claim or entitlement to compensation or damages shall arise from forfeiture of the SARs resulting from the termination of the Grantee's employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or providing services or the terms of the Grantee's employment or service agreement, if any), and in consideration of the grant of the SARs to which the Grantee is otherwise not entitled, the Grantee irrevocably agrees never to institute any claim against the Company, any of its

subsidiaries or affiliates or the Employer, waives his or her ability, if any, to bring any such claim, and releases the Company, its subsidiaries and affiliates and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Grantee shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim; (9) for purposes of the SARs, the Grantee's employment or service relationship will be considered terminated as of the date the Grantee is no longer actively providing services to the Company or one of its subsidiaries and affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or providing services or the terms of the Grantee's employment or service agreement, if any), and unless otherwise expressly provided in the Agreement or determined by the Company, (i) the Grantee's right to vest in the SARs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., the Grantee's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Grantee is employed or providing services or the terms of the Grantee's employment or service agreement, if any); and (ii) the period (if any) during which the Grantee may exercise the SARs after such termination of the Grantee's employment or service relationship will commence on the date the Grantee ceases to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where the Grantee is employed or providing services or terms of the Grantee's employment or service agreement, if any; and (iii) the Company shall have the exclusive discretion to determine when the Grantee is no longer actively providing services for purposes of his or her SARs grant (including whether the Grantee may still be considered to be providing services while on a leave of absence); (10) unless otherwise provided in the Plan or by the Company in its discretion, the SARs and the benefits evidenced by the Agreement do not create any entitlement to have the SARs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; (11) the SARs and any shares of Common Stock acquired under the Plan and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension, or retirement or welfare benefits or similar payments; and (12) the Grantee acknowledges and agrees that neither the Company, the Employer nor any Subsidiary of the Company shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the SARs or of any amounts due to the Grantee pursuant to the exercise of the SARs or the subsequent sale of any shares of Common Stock acquired upon exercise of the SARs.

No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Common Stock. The Grantee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

Data Privacy. *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, including email, of the Grantee's personal data as described in the Agreement and any other SARs grant materials ("Data") by and among, as applicable, the Employer, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.*

The Grantee understands that the Company and the Employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone

number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all SARs or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the exclusive purpose of implementing, administering and managing the Plan.

The Grantee understands that Data will be transferred to the Company's stock transfer agent and/or broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the United States or elsewhere (including outside the EEA), and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Grantee authorizes the Company, the Company's stock transfer agent and/or broker, and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Grantee understands that he or she is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant the Grantee SARs or other equity awards or administer or maintain such awards. Therefore, the Grantee understands that refusing or withdrawing his or her consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that he or she may contact his or her local human resources representative.

Governing Law and Venue. The SARs grant and the provisions of the Agreement are governed by, and subject to, the internal substantive laws of the State of Delaware in the United States of America (with the exception of its conflict of law provisions).

For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or the Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Pennsylvania in the United States of America and agree that such litigation shall be conducted only in the courts of Cumberland County, the Commonwealth of Pennsylvania, or the federal courts for the United States of America for the Middle District of Pennsylvania, and no other courts, where this grant is made and/or to be performed.

Compliance with Law. The following provision supplements Section 7 of the Agreement:

Notwithstanding any other provision of the Plan or the Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock, the Company shall not be required to deliver any shares of Common Stock issuable upon exercise of the SARs prior to the completion of any registration or qualification of the shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining

any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Grantee understands that the Company is under no obligation to register or qualify the shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, the Grantee agrees that the Company shall have unilateral authority to amend the Plan and the Agreement without the Grantee's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means, including email. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Language. If the Grantee has received the Agreement or any other document related to the SARs and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

Severability. The provisions of the Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the SARs and on any shares of Common Stock purchased upon exercise of the SARs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Waiver. The Grantee acknowledges that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by the Grantee or any other Participant.

B. COUNTRY-SPECIFIC ADDITIONAL TERMS AND CONDITIONS AND NOTIFICATIONS

AUSTRALIA

TERMS AND CONDITIONS

Settlement of RSUs. Notwithstanding anything to the contrary in the Agreement, due to local regulatory requirements, upon the vesting of the RSUs, the Grantee will receive a cash payment in an amount equal to the value of the shares of Common Stock underlying the vested RSUs on a vesting date. As long as the Grantee resides in Australia, he or she may not receive or hold shares of Common Stock in connection with the RSUs under the Plan. Accordingly, any provisions in the Agreement referring to issuance of shares of Common Stock shall not be applicable to the Grantee as long as he or she resides in Australia.

NOTIFICATIONS

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding \$10,000 and international fund transfers. The Australian bank assisting with the transaction will file the report. If there is no Australian bank involved in the transfer, Grantee will be required to file the report.

BELGIUM

NOTIFICATIONS

Tax Reporting Information. Grantee is required to report any bank accounts opened and maintained outside of Belgium on his or her annual Belgian tax return.

BRAZIL

TERMS AND CONDITIONS

Compliance with Law. By accepting the SARs, the Grantee acknowledges that he or she agrees to comply with applicable Brazilian laws and pay any and all applicable taxes associated with the exercise of the SARs, the receipt of any dividends, and the sale of shares of Common Stock acquired under the Plan.

NOTIFICATIONS

Exchange Control Information. If the Grantee is resident or domiciled in Brazil, he or she will be required to submit annually a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US \$100,000. Assets and rights that must be reported include shares of Common Stock.

CHINA

TERMS AND CONDITIONS

Settlement of SARs. Notwithstanding anything to the contrary in the SARs Agreement, due to local regulatory requirements, upon the vesting of the SARs the Grantee will receive a cash payment in China via the Company local Chinese payroll in an amount equal to the value of the shares of Common Stock underlying the vested SARs on the vesting date. As long as the Grantee resides in China, he or she may not receive or hold shares of Common Stock in connection with the SARs under the Plan. Accordingly, any provisions in the Agreement referring to issuance of shares of Common Stock shall not be applicable to the Grantee as long as he or she resides in China.

FRANCE

TERMS AND CONDITIONS

Consent to Receive Information in English. By accepting the grant of the SARs, the Grantee confirms having read and understood the Plan and the Agreement, which were provided in the English language. The Grantee accepts the terms of those documents accordingly.

En acceptant cette attribution gratuite d'actions, le Grantee confirme avoir lu et compris le Plan et ce Contrat, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Grantee accepte les dispositions de ces documents en connaissance de cause.

NOTIFICATIONS

Tax Notification. The SARs are not intended to be French tax-qualified.

Exchange Control Notification. The Grantee may hold shares of Common Stock acquired under the Plan outside of France provided that he or she declares all foreign accounts (including any accounts that

were opened or closed during the tax year) on his or her annual French income tax return.

LUXEMBOURG

NOTIFICATIONS

Exchange Control Information. Grantee understands that Grantee is required to report any inward remittances of funds to the Banque Centrale de Luxembourg and/or the Service Central de la Statistique et des Études Économiques within 15 working days following the month during which the transaction occurred unless such payment is reported by a Luxembourg-resident financial institution.

SWITZERLAND

TERMS AND CONDITIONS

Vesting: With the acceptance of a Grant, the Grantee expressly acknowledges that any RSU, PSU and/or SAR shall not give the Grantee any right or entitlement until such Grant is fully vested. The Grant remains fully discretionary until full vesting.

Continuous Employment: In Switzerland, “continuously employed” (or substantially similar term) means the absence of any interruption or termination (issuance of termination notice) of the Grantee’s employment with the Company or with a Subsidiary of the Company. Continuous employment shall not be considered interrupted or terminated in the case of sick leave, military leave or any other leave of absence approved by the Company for which compensation needs to be paid by the Company or salary replacement benefits are granted by any insurance or in the case of transfers between locations of the Company and its Subsidiaries. For the avoidance of any doubt, continuous employment ends in any case with the end of the employment, even if any salary replacement benefits continue to be paid by any insurance, pension scheme or social security.

Retirement: For the purpose of the Plan, only a retirement under the rules and conditions of the Swiss pension scheme of the Subsidiary employing the Grantee shall qualify as retirement for the purpose of vesting of RSU, PSU or termination of SAR, and only if such retirements is (A) at age 62 or older while employed by the Company or any of its Subsidiaries; or (B) at or after such time as the Grantee’s age (minimum of age 55), plus full years of continuous employment by the Company or any of its Subsidiaries, equals 75.

Disability: For purposes of the Plan, the Grantee shall be considered “Disabled” if the Grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or qualifies as permanent full disability under the applicable Swiss social security and/or pension laws.

Non-Competition Agreement: For the avoidance of any doubt, any non-competition agreement entered into between the Grantee and the Company in connection with the Plan and grants thereunder shall be in addition to any non-competition agreement agreed between the Grantee and the employing Subsidiary and shall not replace such non-competition agreement.

NOTIFICATIONS

Exchange Control Notification. The Grantee may hold shares of Common Stock acquired under the Plan outside of Switzerland provided that he or she declares all foreign accounts (including any accounts that were opened or closed during the tax year) on his or her annual Swiss tax declaration.

UNITED ARAB EMIRATES
NOTIFICATIONS

Securities Law Notice. SARs under the Plan are granted only to select executive officers and other employees of the Company and its subsidiaries for the purpose of providing such eligible persons with incentives and rewards for performance. The Agreement, including this Exhibit, the Plan and any documents the Grantee may receive in connection with the SARs are intended for distribution to such eligible persons and must not be delivered to, or relied on, by any other person.

The Emirates Securities and Commodities Authority, the Central Bank, the Ministry of Economy and the Dubai Department of Economic Development do not have any responsibility for reviewing or verifying any documents in connection with the Plan nor have they reviewed or approved the Plan or the Agreement. The securities to which this statement relates may be illiquid and/or subject to restrictions on their resale. The Grantee and/or prospective purchasers of the securities offered should conduct their own due diligence on the securities.

If the Grantee does not understand the contents of the Agreement, including this Exhibit, or the Plan, the Grantee should consult an authorized financial adviser.

UNITED KINGDOM
TERMS AND CONDITIONS

U.K. Sub-Plan. The terms of the U.K. Sub-plan apply to the SARs.

HARSCO CORPORATION
CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, F. Nicholas Grasberger, III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Harsco Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 4, 2016

/s/ F. NICHOLAS GRASBERGER, III

F. Nicholas Grasberger, III

President and Chief Executive Officer

HARSCO CORPORATION
CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter F. Minan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Harsco Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 4, 2016

/s/ PETER F. MINAN

Peter F. Minan

Senior Vice President and Chief Financial Officer

**HARSCO CORPORATION
CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Harsco Corporation (the "Company") on Form 10-Q for the period ending March 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 4, 2016

/s/ F. NICHOLAS GRASBERGER, III

F. Nicholas Grasberger, III

President and Chief Executive Officer

/s/ PETER F. MINAN

Peter F. Minan

Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Harsco Corporation and will be retained by Harsco Corporation and furnished to the Securities and Exchange Commission or its staff upon request.