

HARSCO CORP  
Form DEFA14A  
April 16, 2013

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

**SCHEDULE 14A**  
**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12.

**Harsco Corporation**

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Edgar Filing: HARSCO CORP - Form DEFA14A

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

WE HELP BUILD THE WORLD

Camp Hill, Pennsylvania

April 16, 2013

Additional Information to Inform

2013 Advisory Vote on

Named Executive Officer Compensation

Security holders of Harsco Corporation (the "Company") should read the Company's definitive proxy statement for its 2013

Stockholders because it contains important information. Security holders may obtain the Company's 2013 definitive proxy statement

Annual Report for free at [www.harsco.com](http://www.harsco.com). This document may be deemed "soliciting material"

within the meaning of the rules and regulations

of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended.

2

WE HELP BUILD THE WORLD

Compensation Highlights

Our compensation programs reflect our pay-for-performance ( P4P ) philosophy:

Our annual incentive program ( AIP ) ties annual cash incentives to the achievement of pre-established Economic Value Added ( EVA ®) performance goals, thereby linking pay directly to the creation of stockholder value

In 2012, we increased the percentage of performance-based equity awards under our long-term incentive program ( LTIP ) from 50% to approximately 70% through the use of stock appreciation rights ( SARs ). SARs are inherently performance-based awards as their value is directly tied to the performance of the Company s stock price

ISS,  
Glass  
Lewis  
&  
Co.  
and  
Egan-Jones  
ALL  
report  
that,  
for  
2012,  
the  
Company s  
pay  
was  
aligned  
with  
corporate performance

Under our new CEO, our management team continues to focus our path toward improved performance and stockholder returns

While we have taken reasonable steps to recruit and retain those executives who we

believe will be key to the improved success of our Company, the average level of total direct compensation for 2012 remained below market medians, further reflecting the link between pay and performance

3  
WE HELP BUILD THE WORLD  
ISS and Egan-Jones  
Recommend a Vote FOR  
Say-on-Pay  
Advisory Firm  
Recommendation on

Proposal 3  
P4P Comments  
ISS  
Yes

P4P quantitative screen resulted  
in a low  
level of concern

Overall, ISS found no significant  
issues  
of  
concern  
regarding  
our  
executive compensation programs  
and practices  
Egan-Jones  
Yes

No significant comments  
Glass Lewis  
No

Report notes improved P4P score  
and states the Company has  
adequately aligned executive pay  
and corporate performance

Specific issues raised with regard  
to the change in control provisions  
for certain equity awards,\* certain  
one-time payments to a departing  
executive and changes made to  
the Company's LTIP

\* See Slide 6 for a summary of the changes being made to the Company's equity awards in 2013

Harsco Pay and Performance are Aligned  
We have taken significant steps to ensure that compensation is commensurate  
with  
performance,  
which  
ALL  
THREE

proxy

advisors

acknowledge

Realizable compensation in 2012 was below target levels, consistent with our  
2012 corporate-level performance

4

**WE HELP BUILD THE WORLD**

5

**WE HELP BUILD THE WORLD**

We Continue to Strengthen Our Executive  
Leadership Team

As part of our renewed focus on optimizing financial and operational performance, we have sought talented new executive officers to lead the Company's transformation

We experienced several executive officer transitions during 2012:

Sal Fazzolari departed from his position as Chairman, President and CEO in February 2012 after serving the Company for more than 30 years

Patrick  
Decker  
commenced  
serving  
as  
our  
new  
President  
and  
CEO  
in  
September  
2012

Steve Schnoor departed from his position as SVP, CFO and Treasurer in November 2012 after serving the Company for more than 24 years

Separation pay packages for Messrs. Fazzolari and Schnoor reflect market practices:

We do not maintain employment agreements with our executives  
Separation pay packages were developed with the assistance of the Management  
Development and Compensation Committee's independent compensation consultant  
(Pearl  
Meyer  
&  
Partners)  
to  
ensure  
alignment  
with  
current  
market  
practices

Cash severance amounts were established at or below market levels while still recognizing each executive's significant tenure with the Company

No payout for performance-based LTIP awards that were not earned

6

WE HELP BUILD THE WORLD

New CIC Acceleration Approach Under  
2013 Equity and Incentive Compensation Plan

Based on a strong recommendation from our new CEO, the Management  
Development and Compensation Committee has determined that all executive  
equity

awards  
going  
forward  
will  
contain  
double-trigger

change  
in  
control

( CIC ) accelerated vesting provisions, as permitted under the Company's new  
2013 Equity and Incentive Compensation Plan and in-line with current market  
practice

This new approach to equity awards aligns with the double-trigger  
provisions already contained in CIC severance agreements in place with each  
of our executive officers

A double-trigger provision generally functions so that, if equity awards are continued,  
assumed

or  
replaced  
after

a  
CIC,

a  
participant  
must  
experience

a  
qualifying  
termination  
of  
employment

within  
a  
certain

period  
of  
time  
after

the  
CIC

to  
vest

in  
those  
awards

on  
an  
accelerated basis

The use of double-trigger CIC provisions helps ensure that if a CIC were to be  
contemplated, our executive officers involved in deliberations or negotiations would be

positioned to consider as objectively as possible whether the CIC transaction would be in  
our  
and  
our  
stockholders  
best  
interests,  
rather  
than  
being  
motivated  
solely  
by  
compensation interests

2012 SAR Grants Link Executive Pay With  
Performance (Namely, Stock Price Appreciation)

Prior to 2012, only 50% of LTIP awards were performance-based, and those awards most often utilized the same performance metric as the AIP (EVA achievement)

For 2012, approximately 70% of the LTIP award opportunity was granted in the form of SARs, which are designed to deliver value to our executives only to the extent value is being created for

stockholders,  
as  
hypothetically  
illustrated  
in  
the  
following  
table:  
This  
focus  
on  
sustained  
stock  
price  
improvement  
aligns  
well  
with  
our  
stockholders  
interests  
and complements the AIP's focus on EVA achievement

Base Price = \$23.73

Stock Price

Realized Value

Grant Date

(3/16/12)

12/31/12

4/03/13

Hypothetical Stock Price Point

\$23.73

\$23.50

\$23.41

\$23.73

\$25.00

\$30.00

\$35.00

\$0.00

\$0.00

\$0.00

\$0.00

\$0.00

\$1.27

\$6.27

\$11.27

7

WE HELP BUILD THE WORLD