

HARSCO CORP  
Form 11-K  
June 21, 2017

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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FORM 11-K

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ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-03970

HARSCO RETIREMENT SAVINGS AND INVESTMENT PLAN

HARSCO CORPORATION  
350 Poplar Church Road  
Camp Hill, PA 17011  
Telephone (717) 763-7064

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Harsco Retirement Savings  
and Investment Plan

Financial Statements as of December 31, 2016 and 2015 and for the Year Ended December 31, 2016 and  
Supplemental Schedule as of December 31, 2016

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HARSCO RETIREMENT SAVINGS AND INVESTMENT PLAN  
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\*Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules & Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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Report of Independent Registered Public Accounting Firm

To the Plan Administrator  
Harsco Corporation Retirement Savings and Investment Plan  
Camp Hill, PA

We have audited the accompanying statements of net assets available for benefits of the Harsco Corporation Retirement Savings and Investment Plan (the "Plan") as of December 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the year ended December 31, 2016. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2016 and 2015, and the changes in net assets available for benefits for the year ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

The accompanying supplemental Schedule H Part IV, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2016 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/BDO USA, LLP  
Harrisburg, Pennsylvania  
June 21, 2017



HARSCO RETIREMENT SAVINGS AND INVESTMENT PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| (In thousands)                     | December 31<br>2016 | December 31<br>2015 |
|------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                      |                     |                     |
| Investments, at fair value         | \$ 150,594          | \$ 143,572          |
| Receivables:                       |                     |                     |
| Employer contributions             | 64                  | 55                  |
| Participant contributions          | 124                 | 112                 |
| Notes receivable from participants | 2,238               | 2,431               |
| Total receivables                  | 2,426               | 2,598               |
| Total assets                       | \$ 153,020          | \$ 146,170          |
| Net assets available for benefits  | \$ 153,020          | \$ 146,170          |

The accompanying notes are an integral part of the financial statements.

HARSCO RETIREMENT SAVINGS AND INVESTMENT PLAN  
 STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 For the Year Ended December 31, 2016

(In thousands)

Additions:

Contributions:

|                     |         |
|---------------------|---------|
| Participants        | \$5,915 |
| Employer            | 3,054   |
| Rollovers           | 779     |
| Total contributions | 9,748   |

|   |    |
|---|----|
| Interest income on notes receivable from participants | 90 |
|---|----|

Investment income:

|   |        |
|---|--------|
| Net appreciation in the fair value of investments | 12,938 |
| Dividend income                                   | 2,134  |
| Net investment income                             | 15,072 |

|               |        |
|---------------|--------|
| Net additions | 24,910 |
|---------------|--------|

Deductions:

|                               |        |
|-------------------------------|--------|
| Benefits paid to participants | 17,860 |
| Administrative expenses       | 212    |
| Total deductions              | 18,072 |

|              |       |
|--------------|-------|
| Net increase | 6,838 |
|--------------|-------|

|   |    |
|---|----|
| Net transfers in due to employee classification change (Note 1) | 12 |
|---|----|

Net assets available for benefits

|                   |           |
|-------------------|-----------|
| Beginning of Year | 146,170   |
| End of Year       | \$153,020 |

The accompanying notes are an integral part of the financial statements.

HARSCO RETIREMENT SAVINGS AND INVESTMENT PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

1. Plan Description

The following description of the Harsco Retirement Savings and Investment Plan (the "Plan") provides only an abbreviated summary of the general provisions of the Plan. Participants should refer to the Summary Plan Description and the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan providing retirement benefits to eligible employees. The Plan is designed to comply with the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA") and with the requirements for qualification under Sections 401(a) and 401(k) of the Internal Revenue Code ("IRC").

All U.S. salaried employees and non-union hourly employees (including officers), who are employed by Harsco Corporation ("the Company") or any eligible subsidiary of either the Company or a subsidiary which adopts this Plan with the approval of the Company and who are not participants in the Harsco Corporation Savings Plan, are deemed "Eligible Employees." Also eligible are employees covered by a collective bargaining agreement where the agreement provides for the employees' eligibility to participate in the Plan.

Throughout the year, employees may be transferred to various positions within the Company, which may result in a transfer between various retirement plans sponsored by the Company. Transfers between various Company retirement plans may also occur as Plan amendments are adopted to permit additional or restrict existing groups of Company employees participating in the Plan. These are shown as "Net transfers in due to employee classification change" on the Statement of Changes in Net Assets Available for Benefits.

Contributions

New employees are automatically enrolled in the Plan at a pre-tax savings rate of 3% via payroll deductions with contributions being directed to a designated target date fund based on the participant's current age and a retirement age of 65. Employees have the option to opt out of this Plan or to contribute an amount different than the automatic contribution amount, and to invest in funds other than the Plan's default fund.

Contributions are in whole percentages from 1% to 75% of compensation received for services as an employee of the Company or any subsidiary of the Company. The participant designates what percentage of such contributions will be Pre-Tax Contributions and what percentage will be After-Tax Contributions. A participant who makes Matched Pre-Tax and/or Matched After-Tax Contributions in an aggregate amount of 5% of his or her compensation may also elect to contribute from 1% to 70% of his or her compensation as an Unmatched Pre-Tax Contribution and from 1% to 16% of his or her compensation as an Unmatched After-Tax Contribution, subject to Internal Revenue Service ("IRS") and Plan limitations. In no event during the year may (a) Matched Pre-Tax and Matched After-Tax Contributions exceed 5% of compensation and Unmatched Pre-Tax and Unmatched After-Tax Contribution exceed 70% of compensation or (b) Pre-Tax Contributions exceed the amount specified by the IRC. Pre-Tax Contributions constitute a reduction in the participant's taxable income for purposes of Section 401(k) of the IRC. After-Tax Contributions are considered to be the participant's contributions to the Plan and do not constitute a reduction in the participant's taxable



income for the purposes of Section 401(k) of the IRC. Participants may also contribute amounts representing rollover distributions from other qualified retirement plans, or rollover contributions.

Pursuant to the Plan, the Company makes employer contributions to the Trustee for the account of each participant in an amount equal to 100% of the first 3% of such participant's compensation designated as Matched Pre-Tax Contributions and/or Matched After-Tax Contributions, and 50% of the sum of the next 2% of each eligible Participant's Matched Pre-Tax Contributions and/or Matched After-Tax contributions for the period.

The Company may make a discretionary contribution to the Plan in an amount determined by the Company's Board of Directors. Employer discretionary contributions are allocated to the accounts of eligible participants in the proportion that each eligible participant's compensation bears to the aggregate compensation of all eligible participants who are entitled to an allocation of the Company discretionary contribution for that Plan year. The Company made no discretionary contributions for the Plan year ended December 31, 2016.

#### Participant Accounts

Each participant's account is credited with the participant's contributions and matched pre-tax contributions and matched after-tax contributions, as well as allocations of any discretionary contributions and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### Vesting

Participants are immediately vested in their contributions plus actual earnings thereon and matched pre-tax contributions and matched after-tax contributions to the Plan. Participants are 100% vested in the Company's discretionary contributions after three years of credited service. For amounts transferred to this Plan from the Harsco Corporation Savings Plan, a participant is vested in the Company's discretionary contributions after three years of credited service.

#### Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$500 to a maximum of 50% of their vested account balance, not to exceed \$50,000. A loan is collateralized by the balance in the participant's account and bears interest at a rate commensurate with local prevailing rates as determined periodically by the Plan administrator. The participant may choose the loan repayment period, not to exceed five years. However, the term may be for any period not to exceed 15 years if the purpose of the loan is to acquire the participant's principal residence. Interest rates on outstanding loans, based on the prime rate plus one percent, ranged from 4.25% to 10.50% at December 31, 2016, with maturity dates ranging from 2017 to 2031. Principal and interest is paid ratably through payroll deductions.

Notes receivable from participants are carried at unpaid principal plus accrued, but unpaid interest.

#### Payment of Benefits

On termination of service, a participant or beneficiary may elect one of three options: to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account; a portion paid in a lump-sum, and the remainder paid later; or annual installments over not more than fifteen years.

## 2. Summary of Significant Accounting Policies

#### Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### Administration

The Plan participants pay investment management and recordkeeping fees related to maintaining the Plan as a whole. Loan setup fees and withdrawal fees are paid by the participant. Purchases and sales of the Company's Common Stock are assessed a commission per share, which is paid by the participant. This fee is \$0.03 per share. Investment related expenses are included in Net appreciation of the fair value of investments.

### Investment Valuation and Income Recognition

Investments are reported at fair value, which 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 Plan's Investment Committee determines the Plan's investment options utilizing information provided by the investment advisers and custodians. See Note 3, Fair Value Measurements.

Purchases and sales of investments are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Net appreciation of the fair value of investments includes the Plan's gains and losses on investments bought and sold as well as unrealized gains and losses on investments held at year end.

### Payment of Benefits

Benefit payments to participants are recorded when paid.

### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

### Forfeitures

Forfeitures, which are a result of participant withdrawals prior to their full vesting in the Plan, are used to reduce the amount of future employer contributions as directed by the Plan Administrator. In 2016, no forfeitures were used to offset employer contributions. At December 31, 2016 and 2015, forfeited nonvested accounts totaled \$6 thousand and \$0 thousand. These accounts are used to reduce future employer contributions.

### Subsequent Events

The Company and Plan has performed an evaluation of events subsequent to December 31, 2016 and through the date of financial statement issuance which would require adjustment to or additional disclosure in the financial statements. No events were identified.

### Recently Adopted Accounting Standard

In July 2015, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Plans (Topic 965), Parts I through III. Only Part II of the ASU applies to the Plan. Part II eliminates certain disclosure requirements including disaggregating investments by nature, risks and characteristics, disclosing investment strategy of investments measured using the net asset value practical expedient, disclosing individual investments that represent five percent or more of net assets available for benefits, and disclosing net appreciation or depreciation for investments by general type. The Plan elected to early adopt Part II of the ASU in the Plan's December 31, 2015 financial statements. There was no impact on net assets available for benefits as a result of the adoption of this ASU.

### 3. Fair Value Measurements

The fair value framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

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Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize inputs and the use of unobservable inputs.

The Plan primarily applies the market approach for fair value measurements and endeavors to utilize the best available information. Accordingly, the Plan utilizes valuation techniques that maximize the use of observable inputs, such as quoted prices in active markets, and minimize the use of unobservable inputs. The Plan is able to classify fair value balances based on the observability of those inputs. Common stock is valued at the closing price reported on the active market on which the individual security is traded. Investments in mutual funds are primarily valued at net asset value in an exchange and active market, which represents the net asset values of shares held by the Plan at year-end.

The Plan recognizes the methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the Plan believes its valuation methods are appropriate and consistent with other market participants expectations for the Plan's investments, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement. There have been no significant changes in the valuation methodologies or transfers between levels during the years ended December 31, 2016 and 2015.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value:

December 31, 2016

| (in thousands)    | Level 1    | Level 2 | Level 3 | Total      |
|-------------------|------------|---------|---------|------------|
| Mutual funds      | \$ 137,583 | \$ —    | \$ —    | -\$137,583 |
| Common stock      | 13,011     | —       | —       | 13,011     |
| Total investments | \$ 150,594 | \$ —    | \$ —    | -\$150,594 |

December 31, 2015

| (in thousands)    | Level 1    | Level 2 | Level 3 | Total      |
|-------------------|------------|---------|---------|------------|
| Mutual funds      | \$ 135,328 | \$ —    | \$ —    | -\$135,328 |
| Common stock      | 8,244      | —       | —       | 8,244      |
| Total investments | \$ 143,572 | \$ —    | \$ —    | -\$143,572 |

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#### 4. Related-Party and Party in Interest Transactions

The majority of the Plan's investments are shares of mutual funds managed by Wells Fargo Bank, N.A., trustee, custodian and recordkeeper. These transactions qualify as party in interest transactions. Fees paid by the Plan for the investment management services amounted to \$135 thousand for the year ended December 31, 2016.

Transactions in the Company's Common Stock also qualify as party in interest transactions. For the year ended December 31, 2016, the Plan purchased, on behalf of participants, \$924 thousand and sold \$1,798 thousand of the Company's common stock and recorded dividend income totaling \$54 thousand from the Company.

Additionally, notes receivable from participants qualify as party in interest transactions. For the year ended December 31, 2016, the Plan received \$90 thousand in interest income on notes receivable from participants.

#### 5. Plan Termination

Although the Company has not expressed any intent to discontinue the Plan, it reserves the right to terminate the Plan at any time or discontinue contributions and loans thereunder, subject to the provisions of ERISA. In the event of Plan termination, the accounts of each affected employee would be fully vested. Complete distributions or withdrawals would be distributed to Plan participants and beneficiaries in proportion to their respective account balances.

#### 6. Tax Status

The IRS has determined and informed the Company by a letter dated March 5, 2013, that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since the amendment date cited in the determination letter, the Plan Administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions by the Plan, and has concluded that as of December 31, 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

#### 7. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.





SUPPLEMENTAL SCHEDULE  
HARSCO RETIREMENT SAVINGS AND INVESTMENT PLAN  
SCHEDULE H, LINE 4(i) - FORM 5500  
SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
EMPLOYER IDENTIFICATION NUMBER - 23-1483991  
THREE-DIGIT PLAN NUMBER - 258  
AS OF DECEMBER 31, 2016

| (a)(b) Identity of issue, borrower, lessor or similar party  | (c) Description of investment, including maturity date, rate of interest, collateral and par or maturity value | (d) Cost | (e) Current Value (in thousands) |
|--|--|----------|----------------------------------|
| * Harsco Corporation   | Common stock   | **       | \$ 13,011                        |
| American Funds EuroPacific Growth R6   | Mutual fund  | **       | 6,878                            |
| Blackrock Total Return Instl   | Mutual fund  | **       | 6,101                            |
| Dodge & Cox Stock  | Mutual fund  | **       | 11,615                           |
| Loomis Sayles Global Bond Instl  | Mutual fund  | **       | 352                              |
| Mainstay Large Cap Growth I  | Mutual fund  | **       | 14,944                           |
| MassMutual Select Mid Cap Gr Eq II I   | Mutual fund  | **       | 1,767                            |
| Morgan Stanley Inst US Real Estate I   | Mutual fund  | **       | 5,143                            |
| Neuberger Berman Genesis Instl   | Mutual fund  | **       | 7,527                            |
| T. Rowe Price Retirement 2005  | Mutual fund  | **       | 1,102                            |
| T. Rowe Price Retirement 2010  | Mutual fund  | **       | 1,475                            |
| T. Rowe Price Retirement 2015  | Mutual fund  | **       | 4,374                            |
| T. Rowe Price Retirement 2020  | Mutual fund  | **       | 8,194                            |
| T. Rowe Price Retirement 2025  | Mutual fund  | **       | 7,362                            |
| T. Rowe Price Retirement 2030  | Mutual fund  | **       | 8,265                            |
| T. Rowe Price Retirement 2035  | Mutual fund  | **       | 5,308                            |
| T. Rowe Price Retirement 2040  | Mutual fund  | **       | 6,020                            |
| T. Rowe Price Retirement 2045  | Mutual fund  | **       | 2,866                            |
| T. Rowe Price Retirement 2050  | Mutual fund  | **       | 1,351                            |
| T. Rowe Price Retirement 2055  | Mutual fund  | **       | 1,095                            |
| Vanguard Extended Market Index Fund  | Mutual fund  | **       | 940                              |
| Vanguard Inflation-Protected Secs Inv  | Mutual fund  | **       | 950                              |
| Vanguard Institutional Index Instl   | Mutual fund  | **       | 15,323                           |
| Vanguard Mid-Cap Value Index Admiral   | Mutual fund  | **       | 3,444                            |
| Vanguard Total Bond Market Index Adm   | Mutual fund  | **       | 1,642                            |
| Vanguard Total Intl Stock Index Adm  | Mutual fund  | **       | 390                              |
| * Wells Fargo Government Money Market Instl  | Mutual fund  | **       | 13,155                           |
| Total mutual funds   |  |          | 137,583                          |
| Notes receivable from participants - Interest at 4.25% to 10.50%, fully secured by vested benefits, due 2017 to 2031 | Participant loans  | **       | 2,238                            |
| Assets Held  |  |          | \$ 152,832                       |

\* Party in interest

\*\* Cost information is not presented because investments are participant directed.



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrative Committee has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

HARSCO RETIREMENT SAVINGS  
AND INVESTMENT PLAN

Date June 21, 2017 /s/ Russell C. Hochman

Russell C. Hochman

Senior Vice President, General Counsel, Chief Compliance Officer and Corporate Secretary

EXHIBIT INDEX

Number Description

23.1 Consent of BDO USA, LLP (filed herewith)

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