

**HARSCO CORPORATION (the “Corporation”)**  
**AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**  
**CHARTER**

**I. PURPOSE**

The Audit Committee (the “Committee”) shall:

- A. Provide assistance to the Board of Directors of the Corporation (the “Board”) in fulfilling its responsibility with respect to its oversight of:
  - (i) The quality and integrity of the Corporation’s financial statements;
  - (ii) The Corporation’s compliance with legal and regulatory requirements;
  - (iii) The qualifications and independence of the Corporation’s independent registered public accounting firm(s) (the “independent auditors”);
  - (iv) The performance of the Corporation’s internal audit function and independent auditors; and
  - (v) The establishment and maintenance of processes to assure that an adequate system of internal control over financial reporting is functioning within the Corporation.
- B. Prepare the audit committee report that Securities and Exchange Commission (“SEC”) rules require be included in the Corporation’s annual proxy statement.

The Committee will primarily fulfill these responsibilities by carrying out the activities outlined in Section IV of this Charter.

**II. STRUCTURE AND OPERATIONS**

**Composition and Qualifications**

The Committee shall be comprised of three or more members of the Board, each of whom is affirmatively determined by the Board (i) to be an “independent” director in accordance with the rules of the New York Stock Exchange (“NYSE”) and (ii) to meet the criteria for independence set forth in Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended. No member of the Committee may serve on the audit committee of more than three public companies, including the Corporation, unless the Board (a) determines that such

simultaneous service would not impair the ability of such member to effectively serve on the Committee and (b) discloses such determination in the Corporation's annual proxy statement.

All members of the Committee shall be financially literate (or become financially literate within a reasonable period after his or her appointment), as such qualification is interpreted by the Board in its business judgment, and there must be at least one member that has accounting or related financial management expertise, as such qualification is interpreted by the Board in its business judgment. The Board will, in the exercise of its business judgment, require at least one member of the Committee (which may include the member that has accounting or related financial management expertise) to be an "audit committee financial expert" as determined by the Board under the rules and regulations of the SEC.

#### Appointment, Rotation and Removal

In consultation with the Chairperson of the Board and the Lead Director (if one has been appointed), the Governance Committee shall make a recommendation to the Board for the appointment of members of the Committee and the Chairperson of the Committee. Each Committee member will serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member.

### **III. MEETINGS**

#### **Timing**

The Committee shall meet as frequently as necessary to carry out its responsibilities under this Charter. The Committee will fully discuss with the Chief Executive Officer, Chief Financial Officer, Corporate Controller, and other members of management that may be appropriate from time to time, any questions which it may have regarding matters within the scope of its responsibilities.

As part of its job to foster open communication, the Committee shall periodically meet separately with each of management, the internal auditors and the independent auditor group (which for purposes of this Charter includes other personnel or service providers responsible for the internal audit function) to discuss any matters that the Committee or any of these groups believes should be discussed privately. In addition, the Committee or a member of the Committee designated by the Committee Chairperson shall meet with management and the independent auditors quarterly to review the financial statements of the Corporation as outlined in Section IV of this Charter.

#### **Quorum, Action by Committee**

The Chairperson of the Committee may call meetings of the Committee. One or more members of the Committee may participate in a meeting of the Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

#### **IV. RESPONSIBILITIES AND DUTIES**

The Committee shall report Committee actions regularly to the Board and may make recommendations to the Board for actions it considers appropriate. The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee shall have the authority to, at the Corporation's cost, retain and terminate outside legal, accounting or other advisors for this purpose, and establish any terms of retention. The Committee shall have the authority to approve the fees and expenses payable to such advisors and the independent auditors, as well as the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall be given full access to the Corporation's internal audit group, the Board, books, records and facilities of the Corporation, management and the independent auditors as necessary to carry out its responsibilities. The senior internal audit executive will report functionally to the Committee and administratively (i.e., from a day-to-day operations standpoint) to the Chief Financial Officer.

To fulfill its responsibilities and duties, the Committee shall:

##### **Documents/Reports Review**

1. Review and update this Charter annually, or more frequently as conditions dictate.
2. Review and discuss with management and the independent auditors, prior to public dissemination, the Corporation's annual audited financial statements and quarterly financial statements, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
3. Discuss with the independent auditors the matters required to be discussed by the applicable auditing standards adopted by the Public Company Accounting Oversight Board ("PCAOB"), including any critical audit matters.
4. Review and discuss with management, prior to public dissemination, the Corporation's earnings press releases, as well as additional financial

information and earnings guidance that management may provide to analysts and investors, and with the independent auditors the quarterly review report.

5. Review summaries of the regular internal reports to management prepared by the internal auditing department and management's response.

### **Independent Auditors**

6. Appoint, retain and terminate the independent auditors and approve all audit engagement fees and terms.
7. Inform the independent auditors that such firm shall report directly to the Committee.
8. Oversee the work of the independent auditors, including the resolution of any disagreement between management and the independent auditors regarding financial reporting, for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, and consider the impact to the Corporation upon any change of the independent auditors.
9. Approve in advance any engagement of the independent auditors for audit or non-audit services, other than "prohibited non-audit services," as defined in SEC rules on auditor independence.

Notwithstanding the foregoing, pre-approval is not necessary for services other than audit, review or attest services if: (i) the aggregate amount of all such services provided to the Corporation constitutes not more than five percent of the total amount of revenues paid by the Corporation to the independent auditors during the fiscal year in which such services are provided; (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more of its members the authority to approve in advance all significant audit or non-audit services to be provided by the independent auditors so long as such approval is presented to the full Committee at the next scheduled Committee meeting. The Committee may establish pre-approval policies and procedures, provided the policies and procedures are detailed as to the particular service and the Committee is informed of each service, and such policies and procedures do not include delegation of the Committee's responsibilities to management.

10. Review, at least annually, the qualifications, performance and independence of the independent auditors. In conducting its review and evaluation, the Committee should:
  - (a) Obtain and review a report by the independent auditors describing:
    - (i) the independent auditors' internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues; and (iii) (to assess the independent auditors' independence) all relationships between the independent auditors and the Corporation;
  - (b) Ensure the rotation of the lead audit partner and the concurring audit partner at least every five years, and a process for the smooth transition of responsibility to the new lead audit partner and concurring partner, and the rotation of audit team members performing certain services at least every seven years, in accordance with the rules and regulations of the SEC. In addition, the Committee should consider whether there should be regular rotation of the audit firm itself;
  - (c) Confirm with any independent accountant retained to provide audit services for any fiscal year that the lead (or coordinating) audit partner (having primary responsibility for the audit), or the audit partner responsible for providing a second level of review of the audit (the concurring or reviewing audit partner), has not performed audit services for the Corporation in each of the five previous fiscal years of the Corporation;
  - (d) Take into account the opinions of management and the Corporation's internal auditors (or other personnel responsible for the internal audit function); and
  - (e) Actively engage in a dialogue with the independent auditors with respect to any disclosed relationship or services that may impact the objectivity and independence of the independent auditors.
11. Inquire from the independent auditors on at least a quarterly basis whether the Corporation's financial statements have been selected by the PCAOB for inspection and request to be apprised on a "real-time" basis of any material developments in connection with any such inspection.
12. Confirm that the independent auditors have not detected or otherwise become aware of information that an illegal act (whether or not perceived to have a material effect on the financial statements of the Corporation) has or may have occurred.

## **Financial Reporting Processes**

13. In consultation with the independent auditors and the internal auditors, review the integrity of the Corporation's financial reporting processes, both internal and external. The Committee should review and discuss with the independent auditors (i) the report of their annual audit, or proposed report of their annual audit, (ii) the accompanying management letter, if any, (iii) significant matters identified as part of their interim reviews, and (iv) the reports of the results of such other examinations outside the course of the independent auditors' normal audit procedures that the independent auditors may from time to time undertake. In that connection, the Committee should obtain and discuss with management and the independent auditors significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements.
14. Review periodically the effect of regulatory and accounting initiatives, including any pending changes in accounting principles, as well as off-balance sheet structures (if any), on the financial statements of the Corporation.
15. Review with the independent auditors (i) any audit problems or other difficulties encountered by the independent auditors in the course of the audit process, including any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with management (which the Committee will work with management to resolve in accordance with Section IV.7 of this Charter) and (ii) management's responses to such matters. Without excluding other possibilities, the Committee may wish to review with the independent auditors (a) any accounting adjustments that were noted or proposed by the independent auditors but were "passed" (as immaterial or otherwise), (b) any significant communications between the audit team and the independent auditors' national office respecting auditing or accounting issues presented by the engagement and (c) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors.
16. Review and discuss with management and the independent auditors the adequacy of the responsibilities, audit plan, budget and staffing of the Corporation's internal audit function, as well as the coordination of the activities of the independent auditors and the internal audit department.

## **Internal Control Framework (Financial Reporting), Risk Management, Code of Conduct, and Legal Compliance**

17. Evaluate whether management is setting the appropriate tone at the top by communicating the importance of appropriate internal controls and

ensuring that all of the Corporation's employees understand their roles and responsibilities.

18. Review periodically the Harsco Code of Conduct ("Code") and ensure that management has established a system to enforce the Code, including maintaining procedures under or supplemental to the Code for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
19. Review and concur with management's appointment, termination or replacement of the senior internal audit executive.
20. Review activities, organizational structure, qualifications and, at least annually, the performance of the internal audit department.
21. Review, with the Corporation's counsel, legal compliance matters, including corporate securities trading policies.
22. Review, with the Corporation's counsel, any legal matter that could have a significant impact on the financial reporting of the Corporation.
23. Periodically discuss with management and the independent auditors the Corporation's guidelines, policies and controls with respect to financial risk assessment and financial risk management. The Committee should discuss the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
24. Oversee, and periodically discuss with management, the Corporation's enterprise risk management framework and the process for identifying, assessing and monitoring key business, regulatory and compliance risks.
25. Oversee hiring policies for employees or former employees of the independent auditors.
26. Maintain procedures under or supplemental to the Harsco Code of Conduct for: (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
27. Review and discuss with the independent auditors, any senior internal audit executive and senior management, and, if and to the extent deemed appropriate by the Chairperson of the Committee, members of their respective staffs, the adequacy of the Corporation's internal accounting

controls, the Corporation's financial, auditing, and accounting organizations and personnel, and the Corporation's policies and compliance procedures with respect to business practices which shall include (i) the disclosures regarding internal controls over financial reporting and matters required by Sections 302 and 404 of the Sarbanes-Oxley Act of 2002 and any rules promulgated thereunder by the SEC, and (ii) a review with the independent auditors of their opinion on the effectiveness of management's assessment of internal controls over financial reporting and the independent auditors' analysis of matters requiring modification to management's certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

28. Discuss with the independent auditors its evaluation of the Corporation's identification of, accounting for, and the disclosure of its relationships with related persons as set forth under the standards of the PCAOB.
29. Perform any other activities consistent with this Charter, the Corporation's certificate of incorporation, by-laws and governing law, as the Committee or the Board deems necessary or appropriate to fulfill the purposes of this Charter.

### **Reports**

30. Provide the report of the Committee required by the rules of the SEC to be included in the Corporation's proxy statement for each annual meeting of stockholders or in the annual report on Form 10-K filed with the SEC.
31. Report regularly to the Board including:
  - (a) with respect to any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the independent auditors or the performance of the internal audit function;
  - (b) following all meetings of the Committee; and
  - (c) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities.

The Committee shall provide such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral or written report by the Committee Chairperson or any other member of the Committee designated by the Committee to make such report.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in



accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors.

Nothing contained in this Charter is intended to alter or impair the operation of the “business judgment rule” as interpreted by the courts under the General Corporation Law of the State of Delaware. Further, nothing contained in this Charter is intended to alter or impair the right of the members of the Committee to rely, in discharging their oversight role, on the records of the Corporation and on other information presented to the Committee, the Board or the Corporation by its officers or employees or by outside experts such as the independent auditors.

#### **V. Annual Performance Evaluation**

At least annually, the Committee shall review this Charter and evaluate the Committee’s effectiveness in performing its responsibilities under this Charter, and discuss the results of this evaluation with the Board. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.