

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="font-size: 24pt; font-weight: bold;">2015</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>			
A	This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or	
	☒ a single-employer plan; ☐ a DFE (specify) ____		
B	This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).	
C	If the plan is a collectively-bargained plan, check here. ☒		
D	Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)	

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>206</u>
		1c	Effective date of plan <u>04/29/1957</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>HARSCO CORPORATION</u> <u>350 POPLAR CHURCH ROAD</u> <u>CAMP HILL, PA 17011</u>	2b	Employer Identification Number (EIN) <u>23-1483991</u>
		2c	Plan Sponsor's telephone number <u>717-763-7064</u>
		2d	Business code (see instructions) <u>339900</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2016	KATHRINE RUSHEFSKY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 180
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits..... f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 38 6a(2) 35 6b 79 6c 29 6d 143 6e 29 6f 172 6g 6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2015</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

Round off amounts to nearest dollar.
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

<div>A Name of plan PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN</div>	<div>B Three-digit plan number (PN) 206</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF HARSCO CORPORATION</div>	<div>D Employer Identification Number (EIN) 23-1483991</div>

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2015	
2	Assets:	
	a Market value	2a 11024220
	b Actuarial value	2b 10734390
3	Funding target/participant count breakdown	
	(1) Number of participants	(2) Vested Funding Target
	(3) Total Funding Target	
	a For retired participants and beneficiaries receiving payment	110 5125640 5125640
	b For terminated vested participants	32 1392984 1392984
	c For active participants	38 1486002 1506527
	d Total	180 8004626 8025151
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)	
	a Funding target disregarding prescribed at-risk assumptions	4a
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5	Effective interest rate	5 6.09%
6	Target normal cost	6 81646

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<div>SIGN HERE</div>	<div>09/30/2016</div>
<div>Signature of actuary</div>	<div>Date</div>
<div>DAVID WEBBER, FSA, EA</div>	<div>14-06137</div>
<div>Type or print name of actuary</div>	<div>Most recent enrollment number</div>
<div>TOWERS WATSON DELAWARE, INC.</div>	<div>703-258-8000</div>
<div>Firm name</div>	<div>Telephone number (including area code)</div>
<div>901 NORTH GLEBE ROAD ARLINGTON, VA 22203</div>	
<div>Address of the firm</div>	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	3206990	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	103491	0
9	Amount remaining (line 7 minus line 8)	3103499	
10	Interest on line 9 using prior year's actual return of <u>7.19%</u>	223142	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.29%</u>		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	3326641	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	92.30 %
15	Adjusted funding target attainment percentage	15	133.75 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	125.34 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ►	18(b)	18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 0
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.72 %	2nd segment: 6.11 %	3rd segment: 6.81 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	81646	
b Excess assets, if applicable, but not greater than line 31a	31b		
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	81646	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	81646		81646
36 Additional cash requirement (line 34 minus line 35)	36		
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37		
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2015
		This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN	B Three-digit plan number (PN) ▶	206
C Plan sponsor's name as shown on line 2a of Form 5500 HARSCO CORPORATION	D Employer Identification Number (EIN) 23-1483991	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON PENNSYLVANIA, INC.

23-1159360

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	ACTUARY	29848	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MCKONLY & ASBURY LLP

23-1909723

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	ACCOUNTANT	14365	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WELLS FARGO

420 MONTGOMERY STREET
SAN FRANCISCO, CA 94104

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	TRUSTEE	5221	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PIER CAPITAL

86-1105603

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51 28	INVESTMENT MANAGEMENT	5152	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

INCOME RESEARCH & MANAGEMENT

04-2955404

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
51 28	INVESTMENT MANAGEMENT	5045	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

<p style="text-align: center;">SCHEDULE D (Form 5500)</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p>	<p style="text-align: center;">DFE/Participating Plan Information</p> <p style="text-align: center; font-size: small;">This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p style="text-align: center;">▶ File as an attachment to Form 5500.</p>	<p style="text-align: center; font-size: small;">OMB No. 1210-0110</p> <hr/> <p style="text-align: center; font-size: large;">2015</p> <hr/> <p style="text-align: center; font-size: small;">This Form is Open to Public Inspection.</p>
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN	B Three-digit plan number (PN) ▶	206
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500 HARSCO CORPORATION	D Employer Identification Number (EIN) 23-1483991
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Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: HARSCO PENSION AND PROFIT SHARING C

b Name of sponsor of entity listed in (a): HARSCO CORPORATION

c EIN-PN 23-1483991-257	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 9846200
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015		
A Name of plan PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN	B Three-digit plan number (PN) ►	206
C Plan sponsor's name as shown on line 2a of Form 5500 HARSCO CORPORATION	D Employer Identification Number (EIN) 23-1483991	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash		1a	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions		1b(1)	
(2) Participant contributions		1b(2)	
(3) Other.....		1b(3)	74600105338
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)		1c(1)	10810947778
(2) U.S. Government securities.....		1c(2)	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A)	
(B) All other.....		1c(3)(B)	
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A)	
(B) Common		1c(4)(B)	
(5) Partnership/joint venture interests		1c(5)	
(6) Real estate (other than employer real property)		1c(6)	
(7) Loans (other than to participants)		1c(7)	
(8) Participant loans		1c(8)	
(9) Value of interest in common/collective trusts.....		1c(9)	
(10) Value of interest in pooled separate accounts.....		1c(10)	
(11) Value of interest in master trust investment accounts		1c(11)	108594349846200
(12) Value of interest in 103-12 investment entities		1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds).....		1c(13)	
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	
(15) Other		1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	11042143	9999316

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	17923	15561
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	17923	15561

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	11024220	9983755
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	26350	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		26350
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-384469
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-358119

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	592749	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		592749
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	49433	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	29528	
(4) Other	2i(4)	10636	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		89597
j Total expenses. Add all expense amounts in column (b) and enter total	2j		682346

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-1040465
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MCKONLY & ASBURY, LLP

(2) EIN: 23-1909723

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

	Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X		

	Yes	No	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X		
e Was this plan covered by a fidelity bond?	X			2500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X		
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X		
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan <u>PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>206</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HARSCO CORPORATION</u>	D Employer Identification Number (EIN) <u>23-1483991</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☒ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2015
v. 150123

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		14a	
	a The current year		14b	
	b The plan year immediately preceding the current plan year		14c	
	c The second preceding plan year			
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:			
	a The corresponding number for the plan year immediately preceding the current plan year		15a	
	b The corresponding number for the second preceding plan year		15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:			
	a Enter the number of employers who withdrew during the preceding plan year		16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers		16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐			

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)
	a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A
22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).		
22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.		
22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.		
23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

**PATTERSON-KELLEY HOURLY
EMPLOYEES PENSION PLAN**

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2015 AND 2014



McKONLY & ASBURY

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

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MEMBERS

AMERICAN AND PENNSYLVANIA
INSTITUTES OF CERTIFIED PUBLIC
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee
Patterson-Kelley Hourly Employees Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Patterson-Kelley Hourly Employees Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 5 and 7, which was certified by Wells Fargo Bank, N.A., and Manufacturers and Traders Trust Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that Wells Fargo Bank, N.A., held the Plan's investment assets and executed investment transactions from January 1, 2015, to December 31, 2015, and that Manufacturers and Traders Trust Company held the Plan's investment assets and executed investment transactions as of December 31, 2014, and for the period January 1, 2014, to December 31, 2014. The Plan Administrator has obtained certifications from the trustees as of and for the years ended December 31, 2015 and 2014, that the information provided to the Plan Administrator by the trustees is complete and accurate.

HARRISBURG • LANCASTER

1.800.569.5199 • www.macpas.com • Fax: 717.737.2068

MAILING ADDRESS

McKonly & Asbury LLP • 415 Fallowfield Road • Camp Hill, PA 17011

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter – Supplemental Schedules

The supplemental schedules, (1) Schedule H, line 4(i) - Schedule of Assets (Held at End of Year) and (2) Schedule H, Line 4(j) - Schedule of Reportable Transactions, as of and for the year ended December 31, 2015, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in black ink, appearing to read "McKonley & Asbury, P.A.", is written in a cursive style.

Camp Hill, Pennsylvania
October 13, 2016

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2015 AND 2014

(in thousands except units and unit values)

			<u>2015</u>	<u>2014</u>
Investments, at fair value				
Plan interest in the Harsco Pension and Profit Sharing				
Collective Investment Fund (cost \$8,567 and				
\$2,965, respectively)				
	<u>2015</u>	<u>2014</u>		
Units	20,499	21,633		
Unit value (rounded)	\$480.33	\$501.99	\$ 9,846	\$ 10,859
Money market fund			<u>48</u>	<u>108</u>
			9,894	10,967
Accrued investment income			<u>105</u>	<u>75</u>
Total assets			9,999	11,042
Accrued administrative expenses			<u>(15)</u>	<u>(18)</u>
Net assets available for benefits			<u><u>\$ 9,984</u></u>	<u><u>\$ 11,024</u></u>

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

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED DECEMBER 31, 2015 AND 2014

(in thousands except units and unit values)

	<u>2015</u>	<u>2014</u>
Additions in net assets attributable to		
Investment income		
Net increase in plan interest in the Harsco Pension and Profit Sharing Collective Investment Fund	\$ -	\$ 431
Dividend income	257	315
Other plan income	<u>26</u>	<u>18</u>
Total additions	<u>283</u>	<u>764</u>
Deductions from net assets attributable to		
Investment loss		
Net decrease in plan interest in the Harsco Pension and Profit Sharing Collective Investment Fund	641	-
Benefits paid to participants	593	609
Administrative expenses	<u>89</u>	<u>70</u>
Total deductions	<u>1,323</u>	<u>679</u>
Net increase (decrease) in net assets available for benefits	(1,040)	85
Net assets available for benefits, beginning of year	<u>11,024</u>	<u>10,939</u>
Net assets available for benefits, end of year	<u><u>\$ 9,984</u></u>	<u><u>\$ 11,024</u></u>

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

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following brief description of the Patterson-Kelley Hourly Employees Pension Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a noncontributory defined benefit plan providing retirement, death, and disability benefits to all eligible union employees of Patterson-Kelley, a division of Harsco Corporation (the “Company”). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Although the Company received Board approval as of December 31, 2003, to merge all defined benefit plans maintained by the Company or its subsidiaries in its ERISA controlled group, the Plan has not yet been merged. The merger is planned in order to reduce administrative and funding costs that otherwise will be incurred if these plans continue as separate plans. The merger will be subject to union approval where required.

Effective December 31, 2008, the Plan was amended to change its provisions in several ways. Any participant who was an employee as of the close of business on December 31, 2008, became immediately 100% vested. Also, the Plan was amended to freeze both participation and the accrual of benefits for participants as of December 31, 2008. The benefit accrual for participants in the former Patterson-Kelley Administrative Employees Pension Plan, which merged with the Plan on December 31, 2008, was frozen as of April 1, 2007; however, the eligible compensation for those participants will not be frozen until March 31, 2017.

The Plan evaluated subsequent events for recognition or disclosure through October 13, 2016, the date the financial statements were available to be issued.

The Plan is administered by the Company’s Pension Investment Committee (Committee), which is a committee of the board of directors of the Company. The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan’s investment offerings, monitors investment performance, and reports to the Company’s board of directors.

Service Rules

Employees are credited with a year of service for each Plan year during which they have at least 1,000 hours of service.

(continued)

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

Pension Benefits

Employees with five or more years of continuous service are entitled to annual pension benefits beginning at normal retirement age (65) amounting to monthly benefits equal to the benefit unit in effect at the time of termination of employment multiplied by the participant's number of full years (and fraction thereof, to the nearest month) of continuous service. The Plan permits early retirement as defined in the Plan document. Employees may receive their pension benefits in the form of a life annuity for unmarried participants or for married participants the actuarial equivalent of the life annuity is paid in the form of a 50% joint and survivor annuity. If the present value of the pension does not exceed \$1,000, a lump-sum payment is automatic. If employees terminate before reaching 5 years of service, they forfeit the right to 100% of their accrued benefit.

The amount of the monthly benefit, as defined in the Plan document, depends upon, among other things, the years of service of the employee and in which division of the Company the employee worked.

Death and Disability Benefits

The Plan provides for death and disability benefits. In the event of death, the amount of benefit the beneficiary will receive will depend upon, among other things, the employee's status as of the date of death and whether the participant was already receiving normal retirement benefits. In the event a participant becomes totally and permanently disabled, the benefit to be received will depend upon, among other things, the employee's status at the time of disability. After completing 15 years of continuous service, each participant who leaves on total and permanent disability is entitled to 100% of their accrued benefit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. See Note 6 for a discussion of fair value measurements. The Company's finance department determines the Plan's valuation policies utilizing information provided by its investment advisers, custodians, and insurance company. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Net increase (decrease) in plan interest in the Harsco Pension Profit Sharing Collective Investment Fund (CIF) includes the Plan's gains and losses on CIF units bought and sold as well as held during the year.

(continued)

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

Funding Policy

The Plan is funded by the Company with actuarially determined contributions. The contributions are determined using an actuarial cost method which takes into consideration the present value of benefits expected to accrue during the plan year. The Plan has complied with the minimum funding requirements established by ERISA for 2015 and 2014.

Investment Fees

Net investment returns reflect certain fees paid by the investment funds, as well as the underlying investment funds of the Harsco Pension and Profit Sharing Collective Investment Fund ("CIF"), to their affiliated investment advisors, transfer agents, and others as further described in each fund prospectus or other published documents. These fees are deducted prior to allocation of the Plan's investment earnings activity and thus are not separately identifiable as an expense.

Payment of Benefits

Benefit payments to participants are recorded when paid.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Administrative Expenses

Administrative costs, such as legal, accounting, actuarial, and trustee fees, as well as the Pension Benefit Guaranty Corporation ("PBGC") premium, are paid by the Plan.

Purchase of Insurance Contracts

In 1977, the Company entered into a contract with the AXA Equitable Insurance Company ("AXA") under which the Plan has discontinued contributions. AXA maintains contributions received to purchase annuity contracts in prior years in a dividend experience fund to which it adds investment income. Purchased annuities are contracts under which AXA is obligated to pay benefits to named employees or their beneficiaries. The annuity contracts provide for periodic dividends at AXA's discretion on the basis that the market value of the assets exceeds the estimated present value of future pension payment. Insurance contract dividends earned by the Plan for the years ended December 31, 2015 and 2014, were \$20,343 and \$17,971 and are recognized as other plan income.

(continued)

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

Recently Adopted Accounting Standard

In July 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Plans (Topic 965), Parts I through III. Only Part II 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 has elected to early adopt Part II of the ASU, retrospectively, in its December 31, 2015, financial statements. Accordingly, the disclosures have been changed to reflect such adoption. There was no impact on net assets available for benefits as a result of the adoption of this ASU.

3. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' credited service and the benefit rate in effect at the time of retirement. The accumulated plan benefits for active employees at frozen locations are based on their credited service and the benefit rates in effect at the time the plan was frozen. The accumulated plan benefits for active employees at locations in which plan compensation is not frozen are based on their credited service at the time the plan was frozen and the benefit rates in effect as of December 31, 2014. Benefits to be provided via annuity contracts are excluded from Plan assets and are excluded from accumulated plan benefits.

Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's independent actuary as of January 1, 2015 and 2014, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation and the determination of the present value of accumulated plan benefits as of January 1, 2015 and 2014, are as follows:

Discount rate *	7.00% compounded annually for 2015 and 2014.
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PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

Mortality basis For 2015: Separate rates for non-annuitants based on RP2014 “Employee” table (male and female) with collar adjustment (blue collar for non-clerical; no collar for clerical), projected generationally from the base year of 2006 using Scale MP2015; and annuitants based on RP2014 “Healthy Annuitants” table (male and female) with collar adjustment (blue collar for non-clerical; no collar for clerical), projected generationally from the base year of 2006 using Scale MP2015.

For 2014: Separate rates for non-annuitants based on RP2014 “Employee” table (male and female) with collar adjustment (blue collar for non-clerical; no collar for clerical), with Scale MP2014 generational improvement projection; and annuitants based on RP2014 “Healthy Annuitants” table (male and female) with collar adjustment (blue collar for non-clerical; no collar for clerical), with Scale MP2014 generational improvement projection.

Retirement 30% at age 62 increasing to 100% at age 65 for clerical employees and 67 for non-clerical employees in 2015 and 2014.

* Net of 0.25% for assumed expenses

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

The actuarial present value of accumulated plan benefits is as follows as of January 1, 2015 and 2014 (in thousands):

	<u>2015</u>	<u>2014</u>
Vested benefits		
Participants currently receiving payments	\$ 4,950	\$ 5,195
Other participants	<u>2,922</u>	<u>2,817</u>
	7,872	8,012
Nonvested benefits	<u>8</u>	<u>12</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 7,880</u></u>	<u><u>\$ 8,024</u></u>

(continued)

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

The changes in the actuarial present value of accumulated plan benefits for the years ended January 1, 2015 and 2014, are presented below (in thousands):

	2015	2014
Actuarial present value of accumulated plan benefits at beginning of year	\$ 8,024	\$ 7,865
Increase (decrease) attributable to		
Benefits accumulated	18	16
Interest due to the decrease in the discount period	542	522
Benefits paid	(609)	(865)
Actuarial losses (gains)	(29)	120
Assumption changes	(66)	366
Net increase (decrease)	(144)	159
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 7,880</u>	<u>\$ 8,024</u>

The increase (decrease) in actuarial present value of accumulated plan benefits from changes in actuarial assumptions is a result of changing the mortality table used to determine the life expectancy of participants.

The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2015 and 2014. Had the valuations been performed as of December 31, there would be no material differences.

In 2016, the Plan had significant distributions, triggering settlement accounting and the redetermination of the funded status and unamortized losses reflecting new assumptions, plan changes, and demographic changes to the plan participants, as applicable.

4. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated in accordance with the Plan document and as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated.

- a) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.

(continued)

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

- b) Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to the applicable limitations (discussed subsequently).
- c) All other vested benefits (that is, vested benefits not insured by PBGC).
- d) All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a ceiling, which is adjusted periodically, on the amount of monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC.

5. PLAN INTEREST IN THE HARSCO PENSION AND PROFIT SHARING COLLECTIVE INVESTMENT FUND (UNAUDITED)

The Plan invests primarily in the Harsco Pension and Profit Sharing Collective Investment Fund (CIF). The CIF is a unitized pool. Each participant holds units of the pool that represent their pro-rata share of the underlying investments. On a monthly basis, the investment pool is valued and a new pool net asset value (NAV) is calculated to represent this value. All income allocations are processed on a per unit basis.

All income, realized and unrealized gains/losses, are included in/rolled into the monthly NAV.

The following investment information disclosed in the accompanying financial statements and supplemental schedules was obtained or derived from information that has been prepared and certified to as complete and accurate by Wells Fargo Bank, N.A., and Manufacturers and Traders Trust Company, the trustees of the Plan, and has not been audited by independent auditors.

The fair value of the net assets held by the CIF and the Plan's allocable portion as of December 31 are summarized as follows (dollars in thousands):

	2015	2014
Assets		
Investments in securities at fair value		
Bonds, debentures and notes		
U.S. Treasury notes and collateralized securities	\$ 15,492	\$ 18,687
Corporate bonds, notes and convertible debentures	12,799	11,196
Common stocks *	35,564	44,027
Mutual funds	141,278	152,027
Money market accounts	3,262	4,644

(continued)

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

	<u>2015</u>	<u>2014</u>
Accrued interest and dividends receivable	208,395	230,581
Due from broker for securities sold	243	260
	<u>31</u>	<u>9</u>
Total assets	<u>208,669</u>	<u>230,850</u>
Liabilities		
Due to broker for securities purchased	17	2
Income due participants	1,784	1,270
Accrued administrative expenses	<u>123</u>	<u>92</u>
Total liabilities	<u>1,924</u>	<u>1,364</u>
Net assets	<u>\$ 206,745</u>	<u>\$ 229,486</u>
Plan's allocable portion	<u>4.76%</u>	<u>4.73%</u>

* Includes approximately \$3,546 and \$8,501 of Harsco Corporation common stock, which represents approximately 1.72% and 3.70% of net assets for 2015 and 2014, respectively.

The CIF's investment income (loss) consists of the following for the years ended December 31 (in thousands):

	<u>2015</u>	<u>2014</u>
Investment income (loss)		
Net realized and unrealized appreciation (depreciation) in fair value of investments	<u>\$ (12,166)</u>	<u>\$ 9,510</u>
Interest	1,478	2,823
Dividends	<u>2,548</u>	<u>3,680</u>
	<u>4,026</u>	<u>6,503</u>
Less investment advisory fees	<u>(683)</u>	<u>(540)</u>
Net investment income (loss)	<u>\$ (8,823)</u>	<u>\$ 15,473</u>

Net appreciation (depreciation) includes the gains and losses on investments bought and sold as well as held during the year.

(continued)

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

Financial instruments, which potentially subject the CIF to a concentration of credit risk, consist principally of investments. The CIF limits this risk by diversifying the CIF's investment portfolio. The degree and concentration of credit risk varies depending upon the type and diversity of investments within the portfolio.

The following are the changes in net assets for the CIF for the years ended December 31 (in thousands):

	<u>2015</u>	<u>2014</u>
Net investment income (loss)	\$ (8,823)	\$ 15,473
Net transfers	<u>(13,918)</u>	<u>(15,495)</u>
Decrease in net assets	(22,741)	(22)
Net assets, beginning of year	<u>229,486</u>	<u>229,508</u>
Net assets, end of year	<u><u>\$ 206,745</u></u>	<u><u>\$ 229,486</u></u>

6. FAIR VALUE MEASUREMENTS

The Plan measures its investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as 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. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to the Plan for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 – Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets or liabilities, quoted market prices in inactive markets for identical or similar assets, and other observable inputs.

Level 3 – Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and similar techniques.

(continued)

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31 (in thousands):

	2015			
	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Wells Fargo money market fund	\$ 48	\$ 48	\$ -	\$ -
Total investments at fair value	<u>\$ 48</u>	<u>\$ 48</u>	<u>\$ -</u>	<u>\$ -</u>

The Wells Fargo money market fund is stated at cost, which approximates fair value.

	2014			
	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
M&T money market fund	\$ 108	\$ 108	\$ -	\$ -

The M&T money market fund is stated at cost, which approximates fair value.

Fair Value Measurements for the CIF

The following tables set forth by level, within the fair value hierarchy, CIF investments at fair value as of December 31 (in thousands):

	Assets at Fair Value as of December 31, 2015			
	Fair Value	Level 1	Level 2	Level 3
Mutual funds	\$141,278	\$ 83,279	\$ 57,999	\$ -
Common stocks	35,564	35,564	-	-
Corporate bonds, notes and convertible debentures	12,799	12,799	-	-
U.S. Treasury notes and collateralized securities	15,492	-	15,492	-
Money market funds	3,262	3,262	-	-
Total investments at fair value	<u>\$208,395</u>	<u>\$134,904</u>	<u>\$ 73,491</u>	<u>\$ -</u>

(continued)

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

	Assets at Fair Value as of December 31, 2014			
	Fair Value	Level 1	Level 2	Level 3
Mutual funds	\$152,027	\$ 89,417	\$ 62,610	\$ -
Common stocks	44,027	44,027	-	-
Corporate bonds, notes and convertible debentures	11,196	11,196	-	-
U.S. Treasury notes and collateralized securities	18,687	-	18,687	-
Money market funds	4,644	4,644	-	-
Total investments at fair value	<u>\$230,581</u>	<u>\$149,284</u>	<u>\$ 81,297</u>	<u>\$ -</u>

Following is a description of the valuation methodologies used for CIF investments measured at fair value.

Level 1 Fair Value Measurements

Investments in interest-bearing cash are stated at cost, which approximates fair value. The fair values of money market accounts and certain mutual funds are based on quoted net asset values of the shares held by the Plan at year-end. The fair values of common stocks and corporate bonds, notes, and convertible debentures are valued at the closing price reported in the active market on which the individual securities are traded.

Level 2 Fair Value Measurements

The fair values of investments in mutual funds for which quoted net asset values in an active market are not available are valued by the investment advisor based on the current market values of the underlying assets of the mutual fund based on information reported by the investment consistent with audited financial statements of the mutual fund. Further information concerning these mutual funds may be obtained from their separate audited financial statements. Investments in U.S. Treasury notes and collateralized securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Plan assets are allocated among various categories of equities, fixed income, cash and cash equivalents with professional investment managers whose performance is actively monitored. The primary investment objective is long-term growth of assets in order to meet present and future benefit obligations. The Company periodically conducts an asset/liability modeling study and accordingly adjusts investments among and within asset categories to ensure the long-term investment strategy is aligned with the profile of benefit obligations.

There are no unfunded commitments or redemption restrictions on units of the CIF.

(continued)

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

For both Plan and CIF investments, there have been no significant changes in the methodologies used during the years ended December 31, 2015 and 2014.

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. Furthermore, while the Plan's management believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain investments could result in a different fair value measurement at the reporting date.

7. INFORMATION CERTIFIED BY TRUSTEES (UNAUDITED)

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2015 and 2014. Wells Fargo Bank, N.A., held the Plan's investment assets and executed investment transactions for the year ended December 31, 2015, and Manufacturers and Traders Trust Company held the Plan's investment assets and executed investment transactions for the year ended December 31, 2014. Accordingly, Wells Fargo Bank, N.A., and Manufacturers and Traders Trust Company, the trustees of the Plan, have certified to the completeness and accuracy of all investments reported in the accompanying Statement of Net Assets Available for Benefits as of December 31, 2015 and 2014, the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2015, the related investment activity reported in the Statement of Changes in Net Assets Available for Benefits for the years ended December 31, 2015 and 2014, and the supplemental Schedule H, Line 4(j) - Schedule of Reportable Transactions for the year ended December 31, 2015.

8. TAX STATUS

The Plan obtained its latest determination letter on October 4, 2012, in which the Internal Revenue Service ("IRS") stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable regulations of the IRC and believes 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 organization 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 taken by the Plan and has concluded that as of December 31, 2015, 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. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2012.

(continued)

PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

9. RELATED PARTY TRANSACTIONS

Effective January 1, 2015, the Plan's investments are now being managed by Wells Fargo. Prior to 2015, the investments were managed by M&T Investment Group, an affiliate of M&T. The Plan invests in certain funds (directly and within the CIF) owned by the investment manager. Wells Fargo is the Plan's trustee as of and for the year ended December 31, 2015, and M&T was the Plan's trustee as of and for the year ended December 31, 2014. Therefore, transactions in these funds qualify as party-in-interest transactions.

Fees incurred by the Plan for the trustee fees amounted to \$6,081 and \$10,350 for the years ended December 31, 2015 and 2014, respectively. CIF transactions in Harsco Corporation common stock also qualify as party-in-interest transactions. There were no purchases or sales of Harsco Corporation common stock in the CIF during 2015 and 2014. All other transactions which may be considered parties-in-interest transactions relate to normal plan management and administrative services, and the related payment of fees.

Certain administrative functions of the Plan are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

10. RISKS AND UNCERTAINTIES

Investments of the Plan are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect amounts reported in the Statement of Net Assets Available for Benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to the uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

SUPPLEMENTARY INFORMATION

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
Name of Plan: Patterson-Kelley Hourly Employees Pension Plan
Employer Identification Number: 23-1483991
Three-digit Plan Number: 206
December 31, 2015

<u>(a)</u>	<u>(b)</u> Identity of issue	<u>(c)</u> Description of Investment	<u>(d)</u> Cost	<u>(e)</u> Current Value
*	Wells Fargo Bank, N.A.	Wells Fargo Bank Collateralized Institutional Bank Deposit Account	\$ 47,778	\$ 47,778
*	Plan interest in Harsco Pension & Profit Sharing Collective Investment Fund	Collective Investment Fund	\$ 8,566,908	\$ 9,846,200

* Represents party-in-interest.

Schedule H, Line 4(j) - Schedule of Reportable Transactions
Name of Plan: Patterson-Kelley Hourly Employees Pension Plan
Employer Identification Number: 23-1483991
Three-digit Plan Number: 206
Year Ended December 31, 2015

Identity of Party Involved (a)	Description of Asset (b)	Number of Transactions	Purchase Price (c)	Selling Price (d)	Lease Rental (e)	Expense Incurred with Transactions (f)	Cost of Asset (g)	Current Value of Asset on Transaction Date (h)	Net Gain (Loss) (i)
Category (iii) Series of Transactions									
* Wells Fargo Bank, N.A.	Harsco Pension & Profit Sharing Collective Investment Fund	13	489,593	-	-	-	489,593	489,593	-
		24	-	860,302	-	-	457,695	860,302	402,607

*Represents party-in-interest

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Summary of plan provisions

Patterson Kelley – Non-Clerical

Plan Provisions

Covered employees	Employees covered by a collective bargaining agreement between Patterson-Kelley Company, Division of Harsco Corporation, and the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers, and Helpers, Local Lodge 307. Such employees become participants in the plan after attaining age 20 1/2 and completing 6 months of continuous service. Eligibility is frozen as of December 31, 2008.
--------------------------	---

Definitions

Vesting service	Elapsed time from the later of date of hire or January 1 in the plan year in which the participant reaches age 18.
Benefit service	Elapsed time from the later of date of hire or age 20½. Benefit service is frozen as of December 31, 2008.

Benefits

Monthly pension benefit	Monthly benefit unit times years of continuous service.
Monthly benefit unit	\$28.00 per month effective October 1, 2002
	\$29.00 per month effective October 1, 2005
	\$30.00 per month effective October 1, 2006
	\$31.00 per month effective October 1, 2007

Benefit	Age	Vesting Service	Benefit Service	Description
Normal retirement	65	5		Accrued benefit payable immediately
Early retirement	60	10		Accrued benefit reduced 0.5% for each month prior to age 65
Postponed retirement	> 65	5		Accrued benefit payable immediately
Vested termination			5	Accrued benefit payable at normal retirement
		10		Accrued benefit payable unreduced at normal retirement, reduced 0.5% for each month from age 65 to age 60
Disability benefit			5	Accrued benefit payable immediately, reduced by 2/3 for service between 5 and 10 years, 1/3 for service between 11 and 15 years, and unreduced after 15 years of service.

Pre-retirement survivor's annuity

- 5 If married, the pre-retirement survivor annuity is payable for the life of the spouse. The amount of the death benefit is 50% of the amount that would have been payable to the participant at his earliest retirement date if he elected a 50% joint and survivor annuity, reduced for early commencement, prior to his death.

Maximum pension benefits

All benefits for any calendar year may not exceed the maximum limitation for that year as defined in the Internal Revenue Code.

Forms of Payment

Normal forms

Single participant: Life annuity
Married participant: 50% joint and survivor annuity

Optional forms

- Annuities Optional forms of payment available under the plan include a single life annuity, and 50% and 75% joint and survivor annuities.
- Lump Sums Lump sums are not available other than for amounts up to \$12,000.

Optional form conversion basis

- Annuities 1983 Group Annuity Mortality Table for Males, with an age setback of one year for the Participant and five years for the co-pensioner or spouse, and an annual interest rate of 6%.
- Lump Sums 1983 Group Annuity Mortality Table for Males, with an age setback of one year for the Participant and five years for the co-pensioner or spouse, and the interest rate structure specified by the PBGC to value lump sums during the calendar month of distribution, subject to the IRC § 417(e) minimum lump sum value

Future Plan Changes

No future plan changes were recognized. Willis Towers Watson is not aware of any future plan changes which are required to be valued.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Patterson Kelley – Clerical

Plan Provisions

Covered employees Covered employees who have attained age 20½ and completed 1,000 hours of service during 12 consecutive months become participants on the following January 1.

Definitions

Vesting service Elapsed time commencing at the later of a participant's employment date or the beginning of the plan year in which the participant attains age 18

Benefit service Continuous service through April 1, 2007. Benefit service is limited to 40 years.

Prior plan service Years of participation credited under the contributory portion of the former pension plan as of June 30, 1976.

Continuous service Prior to December 31, 1988, complete years as credited under the former pension plan. After December 31, 1988, elapsed time from date of hire.

Compensation Total salary paid in a plan year, excluding severance pay and Non-Discretionary Incentive Compensation (NDIC) paid in the plan year, but including 70% of NDIC accrued in a plan year.

Final average compensation Before April 1, 2007: Average of compensation over the final 10 plan years of employment
After April 1, 2007: Average of compensation over the final 5 plan years of employment
Final average compensation is frozen effective April 1, 2017

Benefits

Past service benefit Benefit determined as (a) + (b):
(a) \$78 times prior plan service
(b) 1% of final average compensation in excess of \$4,800 times prior plan service

Future service benefit Benefit determined as (a) + (b):
(a) 1.2% of final average compensation times benefit service after June 30, 1976, limited to 33 years
(b) 1.5% time (a), times benefit service for each year over 33 years, up to a maximum of 40 years

Monthly pension benefit Past service benefit plus future service benefit, no less than accrued benefit as of December 31, 2007 disregarding April 1, 2007 service freeze and average compensation changes.

Benefit	Age	Vesting Service	Benefit Service	Description
Normal retirement	65	5		Accrued benefit payable immediately
Early retirement	55	15		Accrued benefit reduced 0.5% for each month prior to age 65
Postponed retirement	> 65	5		Greater of the accrued benefit determined at the postponed retirement date and the actuarially increased normal retirement benefit, payable immediately
Vested termination			5	Benefit payable unreduced at age 65, reduced 0.5% for each month from age 65 to age 55.
Disability benefit		15		Accrued benefit determined as of the date the participant qualified for permanent disability payable unreduced at age 65, or reduced 0.5% for each month from age 65 to age 55 and actuarially reduced prior to age 55. A participant qualifies for this benefit after becoming permanently disabled. Disability benefits cease at the earlier of the participant's recovery from disability or the participant's normal retirement date. The benefit payable at the participant's normal retirement date is the normal retirement benefit.
Pre-retirement survivor's benefit				
<ul style="list-style-type: none"> Payable at participant's normal retirement date 			5	If married, the pre-retirement survivor annuity is payable for the life of the spouse. The amount of the death benefit is 50% of the amount that would have been payable to the participant at his earliest retirement date if he elected a 50% joint and survivor annuity, reduced for early commencement, prior to his death.
<ul style="list-style-type: none"> Payable at participant's early retirement date 	< 55	15		
<ul style="list-style-type: none"> Payable immediately 	55	15		
Maximum on benefits and pay				All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Forms of Payment

Normal forms

Single participant: Life annuity

Married participant: 50% joint and survivor annuity

Optional forms

- Annuities Optional forms of payment available under the plan include a single life annuity, 10 and 15 year certain and continuous annuities, 50%, 75%, and 100% joint and survivor annuities.
- Lump Sums Participants may elect to take their entire benefit as a lump sum. If participants are not early, normal, or postponed retirement eligible as of termination, the lump sum must be taken within one year of termination.

Optional form conversion basis

- Annuities 1983 Group Annuity Mortality Table for Males, with an age setback of one year for the Participant and five years for the co-pensioner or spouse, and an annual interest rate of 6%.
- Lump Sums 1983 Group Annuity Mortality Table for Males, with an age setback of one year for the Participant and five years for the co-pensioner or spouse, and the interest rate structure specified by the PBGC to value lump sums during the calendar month of distribution, subject to the IRC § 417(e) minimum lump sum value.

Future Plan Changes

No future plan changes were recognized. Willis Towers Watson is not aware of any future plan changes which are required to be valued.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

SCHEDULE SB, LINE 26 – Schedule of Active Participant Data
Harsco Corporation
Patterson Kelley Hourly Employees Pension Plan
EIN 23-1483991 / PN 206

		Schedule of Active Participant Data Total Years of Credited Service									
Attained Age		<1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up
<25	Count	-	-	-	-	-	-	-	-	-	-
25 to 29	Count	-	1	-	-	-	-	-	-	-	-
30 to 34	Count	1	-	1	-	-	-	-	-	-	-
35 to 39	Count	1	2	-	2	-	-	-	-	-	-
40 to 44	Count	-	3	1	1	-	-	-	-	-	-
45 to 49	Count	-	1	1	2	1	1	-	-	-	-
50 to 54	Count	-	3	-	1	2	1	1	-	-	-
55 to 59	Count	-	-	-	1	1	-	-	-	-	-
60 to 64	Count	-	-	-	1	-	1	1	1	2	-
65 to 69	Count	1	-	-	-	1	-	-	-	-	-
70 & up	Count	-	-	-	-	-	1	-	-	-	-

Statement of actuarial assumptions and methods

Economic Assumptions

Interest rate basis:

- Applicable month September
- Interest rate basis 3-Segment Rates

Interest rates:

- | | Reflecting
MAP-21/HATFA
Corridors | Not Reflecting
MAP-21/HATFA
Corridors |
|---------------------------|---|---|
| ■ First segment rate | 4.72% | 1.15% |
| ■ Second segment rate | 6.11% | 4.06% |
| ■ Third segment rate | 6.81% | 5.15% |
| ■ Effective interest rate | 6.09% | 4.05% |

Interest rate used to determine lump sums

- PBGC rate 4.00%
- IRC § 417(e) rates Funding interest rates

Annual rates of increase

- Compensation (where applicable) 3.00%

Demographic Assumptions

Inclusion date The valuation date coincident with or next following the date on which the employee becomes a participant.

Mortality

- **Healthy and Disabled** Separate tables of rates for non-annuitants (based on RP-2000 “Employees” table without collar or amount adjustments, projected to 2030 using Scale AA) and annuitants (based on RP-2000 “Healthy Annuitants” table without collar or amount adjustments, projected to 2022 using Scale AA).
- **Lump Sums** For lump sums determined on the IRC § 417(e) basis, the Applicable Mortality Table for the current year is used.

Termination

Rates varying by age and group

Representative termination rates follow:

Termination per 1,000 participants		
Attained Age	Non-Clerical	Clerical
20	300	120
25	271	120
30	241	120
35	212	110
40	182	99
45	153	89
50	123	78
55	94	50
60+	50	50

Participants commence annuity benefits at age 63 and lump sums upon termination.

Disability

Representative rates at which participants become disabled by age and gender are shown below:

Disablements per 1,000 participants		
Age	Males	Females
30	0.71	0.85
35	0.99	1.75
40	1.62	3.15
45	2.70	4.65
50	4.93	6.26
55	9.14	8.05
60	14.70	11.25

Retirement

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age and group are shown below.

Retirements per 1,000 participants		
Age	Non-Clerical	Clerical
55	0	50
56	0	50
57	0	50
58	0	50
59	0	50
60	50	100
61	100	100
62	300	300
63	250	150
64	300	200
65	500	1,000
66	500	1,000
67+	1,000	1,000

Form of payment

- Clerical 85% of participants elect lump sum. The remaining 15% elect an annuity: life annuity for single participants and 31.25% of married participants, 50% J&S for 68.75% of married participants.
- Non-Clerical Life annuity for single participants and 31.25% of married participants, 50% J&S for 68.75% of married participants.

Percent married

80%. Used to value pre-retirement surviving spouse benefits and in determining the optional forms expected to be elected at commencement.

Spouse age

Wife two years younger than husband

Administrative expenses

Estimated based on actual expenses during the prior year (adjusted for expected changes in current year expenses). The assumption for 2015 is \$67,703.

Timing of benefit payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Methods

Valuation date	First day of plan year (January 1)
Funding target	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year.
Actuarial value of assets	<p>Average of the fair market value of assets on the valuation date and the four immediately preceding semi-annual periods, adjusted for contributions, benefits, administrative expenses and expected earnings of 7.01% during calendar 2014 and 6.66% during calendar 2013 (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2014 plan year.)</p> <p>The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.</p>
Benefits not valued	<p>All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions and, based on that review, is not aware of any significant benefits required to be valued that were not.</p> <p>The plan pays automatic cashouts of small benefits with a present value up to \$5,000 in a single lump sum payment, as well as other optional distributions for small present values. Such forms of payment are not explicitly valued; rather such participants' benefits are valued using the benefit choice assumptions described above.</p>

Assumptions Rationale - Significant Economic Assumptions

Discount rate	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Lump sum conversion rate	Lump sum benefits determined on the IRC § 417(e) basis are valued assuming that the lump sum conversion rate in the

future is equal to the discount rate. Lump sum benefits determined on the PBGC basis are valued assuming that the lump sum conversion rate in the future is equal to 4.0%, which represents the assumed long-term PBGC effective interest rate.

Administrative expenses

Administrative expenses for the coming year are estimated by taking the actual expenses paid during the prior year and adjusting for expected changes in the current year, reflecting items like expected changes in PBGC premiums.

Investment return

A 7.01% investment return assumption for 2014 was selected for use in the actuarial value of assets (with such expected earnings limited as described in IRS Notice 2009-22). This assumption is based on an estimate of future experience for asset investments returns reflecting the plan's asset allocation and any expected changes during the plan year, market conditions at the measurement date and expectations for future market conditions. Portfolio return simulations using Willis Towers Watson's CAP:Link model were used to select this assumption.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality

Assumptions used for funding purposes are as prescribed by IRC § 430(h).

Disabled Mortality

Assumptions used for funding purposes are as prescribed by IRC § 430(h).

Termination

Termination rates were based on an experience study conducted in 2012, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.

Disability

Disability rates were based on a published table for pension participants believed to have reasonably similar characteristics, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.

Retirement

Retirement rates were based on an experience study conducted in 2012, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.

Benefit commencement date for deferred vested benefits

Deferred vested participants are assumed to receive lump sum benefits upon termination and to commence annuity benefits at the later of age 63 or the current age based on a best estimate of commencement age based on an experience study conducted in 2012.

Form of payment

Form of payment assumptions were based on an experience study conducted in 2012, with annual consideration of whether

any conditions have changed that would be expected to produce different results in the future.

Spouse age

The assumed age difference for spouses is based on the age difference observed among recent retirees from the experience study conducted in 2012.

Source of Prescribed Methods**Funding methods**

The methods used for funding purposes, including the method of determining plan assets, are “prescribed methods set by law”, as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC § 430, or were selected by the plan sponsor from a range of methods permitted by IRC § 430.

Changes in Assumptions and Methods**Change in assumptions and methods since prior valuation**

The segment interest rates used to calculate the funding target, target normal cost, and IRC § 417(e) lump sums were updated from and applicable month of September 2013 to September 2014 (with applicable HATFA corridors).

The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement.

The expense assumption used to calculate the target normal cost was updated to reflect recent plan experience.

SCHEDULE SB, LINE 22 -- Description of Weighted Average Retirement Age
Harsco Corporation
Patterson Kelley Hourly Employees Pension Plan
EIN 23-1483991 / PN 206

Retirement rates varying by age are listed below:

Retirements per 1,000 participants:		
<u>Age</u>	<u>Non-Clerical</u>	<u>Clerical</u>
55	0	50
56	0	50
57	0	50
58	0	50
59	0	50
60	50	100
61	100	100
62	300	300
63	250	150
64	300	200
65	500	1,000
66	500	1,000
67+	1,000	1,000

For 1,000 theoretical participants, an expected retirement age was calculated for each group noted above, weighted in proportion to the probability that the individual would remain an active participant to each age and then retire at that age. The Plan's weighted average retirement age of 63 is the average of the expected retirement ages, weighted in proportion to the number of active participants in each group.

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210 - 0110 1210 - 0089 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2015</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the forms instr.); or ☒ a single-employer plan; ☐ a DFE (specify) _____ B This return/report is: ☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months). C If the plan is a collectively-bargained plan, check here ☒ D Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description) _____

Part II Basic Plan Information - enter all requested information											
1a Name of plan PATTERSON-KELLEY HOURLY EMPLOYEES PENSION PLAN 2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) HARSCO CORPORATION 350 POPLAR CHURCH ROAD CAMP HILL PA 17011	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">1b Three-digit plan number (PN)</td> <td>206</td> </tr> <tr> <td>1c Effective date of plan</td> <td>04/29/1957</td> </tr> <tr> <td>2b Employer Identification Number (EIN)</td> <td>23-1483991</td> </tr> <tr> <td>2c Plan Sponsor's telephone number</td> <td>717-763-7064</td> </tr> <tr> <td>2d Business code (see instructions)</td> <td>339900</td> </tr> </table>	1b Three-digit plan number (PN)	206	1c Effective date of plan	04/29/1957	2b Employer Identification Number (EIN)	23-1483991	2c Plan Sponsor's telephone number	717-763-7064	2d Business code (see instructions)	339900
1b Three-digit plan number (PN)	206										
1c Effective date of plan	04/29/1957										
2b Employer Identification Number (EIN)	23-1483991										
2c Plan Sponsor's telephone number	717-763-7064										
2d Business code (see instructions)	339900										

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		10/14/16	Kathrine Rushefsky
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500. Form 5500 (2015)
v. 150123

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	180
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1), 6a(2), 6b, 6c, and 6d).		
a (1) Total number of active participants at the beginning of the plan year	6a(1)	38
a (2) Total number of active participants at the end of the plan year	6a(2)	35
b Retired or separated participants receiving benefits	6b	79
c Other retired or separated participants entitled to future benefits	6c	29
d Subtotal. Add lines 6a(2), 6b, and 6c	6d	143
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	29
f Total. Add lines 6d and 6e	6f	172
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1B 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information - Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue Service
Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2015**This Form is Open to Public
Inspection**For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Patterson Kelley Hourly Employees Pension Plan		B Three-digit plan number (PN) ▶ 206
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Harsco Corporation		D Employer Identification Number (EIN) 23-1483991
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information

1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2015</u>			
2 Assets:			
a Market value		2a	11,024,220
b Actuarial value		2b	10,734,390
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	110	5,125,640	5,125,640
b For terminated vested participants	32	1,392,984	1,392,984
c For active participants	38	1,486,002	1,506,527
d Total	180	8,004,626	8,025,151
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5 Effective interest rate		5	6.09%
6 Target normal cost		6	81,646

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	David Webber 	09/30/2016
David Webber, FSA, EA		Date
Type or print name of actuary		1406137
Towers Watson Delaware Inc.		Most recent enrollment number
Firm name		703-258-8000
901 North Glebe Road		Telephone number (including area code)
Arlington VA 22203		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2015
v. 150123

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	3,206,990	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	103,491	0
9 Amount remaining (line 7 minus line 8).....	3,103,499	0
10 Interest on line 9 using prior year's actual return of <u>7.19%</u>	223,142	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.29%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance.....		0
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	3,326,641	0

14	Funding target attainment percentage	14	92.30 %
15	Adjusted funding target attainment percentage	15	133.75 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	125.34 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

18 Contributions made to the plan for the plan year by employer(s) and employees:						
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
			Totals ►	18(b)	0	18(c) 0

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 4.72%	2nd segment: 6.11%	3rd segment: 6.81%
			☐ N/A, full yield curve used
b Applicable month (enter code)			21b 4
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment		27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	81,646
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		0	0
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		34	81,646
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	81,646	0	81,646
36 Additional cash requirement (line 34 minus line 35)		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment		42 0	
43 Excess installment acceleration amount to be carried over to future plan years		43 0	