

Edgar Filing: HERCULES INC - Form 10-K/A

HERCULES INC  
Form 10-K/A  
May 01, 2003

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549

FORM 10-K/A  
AMENDMENT NO. 2

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

For the fiscal year ended December 31, 2002                      Commission file number 1-496

HERCULES INCORPORATED

A DELAWARE CORPORATION  
I.R.S. EMPLOYER IDENTIFICATION NO. 51-0023450  
HERCULES PLAZA  
1313 NORTH MARKET STREET  
WILMINGTON, DELAWARE 19894-0001  
TELEPHONE: 302-594-5000

Securities registered pursuant to Section 12(b) of the Act  
(Each class is registered on the New York Stock Exchange, Inc.)

Title of each class  
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Common Stock (\$25/48 Stated Value)  
8% Convertible Subordinated Debentures due August 15, 2010  
9.42% Trust Originated Preferred Securities (\$25 liquidation amount),  
issued by Hercules Trust I  
and guaranteed by Hercules Incorporated  
Preferred Share Purchase Rights

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements in Part III of this Form 10-K/A or any amendment to this Form 10-K/A. \_

Indicate by check mark whether the Registrant is an accelerated filer (as defined by Rule 12b-2 of the Act). Yes X No \_

The aggregate market value of registrant's common stock, \$25/48 stated value ("Common Stock") held by non-affiliates based on the closing price on the last day of the Company's most recently completed second fiscal quarter, or June 28, 2002, was approximately \$1.2 billion.

As of March 31, 2003, registrant had 109,922,726 shares of Common Stock outstanding, which is registrant's only class of common stock.

On the corporate website, [www.herc.com](http://www.herc.com), Hercules Incorporated provides access to the Company's filings with the Securities and Exchange Commission via

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a hyperlink to the Commission's website.

HERCULES INCORPORATED

EXPLANATORY NOTE

Due to processing problems, the amendment to the Form 10-K filed by the Company on April 30, 2003 listed, but did not actually include, newly filed exhibits. This amendment to the Form 10-K is being filed solely to file those exhibits.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Documents filed as part of this Report:

3. Exhibits:

A complete listing of exhibits is included in the Exhibit Index that precedes the exhibits filed with this Report.

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HERCULES INCORPORATED

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HERCULES INCORPORATED

By:

/s/ Fred G. Aanonsen

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Fred G. Aanonsen  
Vice President and Controller  
(Principal Financial Officer and duly  
authorized signatory)  
May 1, 2003

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HERCULES INCORPORATED

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William H. Joyce, Chairman and Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K/A of Hercules Incorporated;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such

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statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
  - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 1, 2003

/s/ William H. Joyce

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William H. Joyce  
Chairman and Chief Executive Officer

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HERCULES INCORPORATED

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Fred G. Aanonsen, Vice President and Controller, certify that:

1. I have reviewed this annual report on Form 10-K/A of Hercules Incorporated;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
  - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this

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annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 1, 2003

/s/ Fred G. Aanonsen

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 Fred G. Aanonsen  
 Vice President and Controller

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HERCULES INCORPORATED

### EXHIBIT INDEX

NUMBER -----	DESCRIPTION -----	INCORPORATED -----
2-A	Agreement and Plan of Merger among Hercules, Water Acquisition Company and BetzDearborn Inc., dated July 30, 1998	Exhibit 2.1, BetzDearborn on Form 8-K, filed July 30, 1998
3-A.1	Restated Certificate of Incorporation of Hercules, as revised and amended July 6, 1988	Exhibit 3-A, Annual Report, March 26, 1993
3-A.2	Certificate of Amendment dated October 24, 1995, to Hercules' Restated Certificate of Incorporation as revised and amended July 5, 1998	Exhibit 4.1a, Registration Statement, filed September 15, 1998
3-B	By-Laws of Hercules, as revised and amended October 30, 1991	Exhibit 3-B, Annual Report, March 26, 1993
4-A	Officers' Certificate, dated as of March 17, 1999, pursuant to the Junior Subordinated Debentures Indenture between Hercules and Chase	Exhibit 4.1, Current Report, March 17, 1999
4-B	Form of Preferred Securities Guarantee by Hercules and Chase, with respect to Hercules Trust I	Exhibit 4.28, Amendment to Registration Statement on Form S-3, filed March 17, 1999
4-C	Form of Amended and Restated Trust Agreement of Hercules Trust I	Exhibit 4.13, Amendment to Registration Statement on Form S-3, filed March 17, 1999
4-D	Form of 9.42% Trust Originated Preferred Securities of Hercules Trust I	Exhibit 4.2, Current Report, March 17, 1999
4-E	Form of 9.42% Junior Subordinated Deferrable Interest Debentures due 2029	Exhibit 4.3, Current Report, March 17, 1999
4-F	Officers' Certificate, dated as of July 27, 1999, pursuant to the Junior Subordinated Debentures Indenture between Hercules and Chase, dated as of November 12, 1998	Exhibit 4.1, Current Report, July 27, 1999

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4-G	Amended and Restated Trust Agreement of Hercules Trust II, dated as of July 27, 1999, together with Annex I thereto	Exhibit 4.2, Current July 27, 1999
4-H	Unit Agreement, dated July 27, 1999, among Hercules, Hercules Trust II and The Chase Manhattan Bank, as unit agent	Exhibit 4.3, Current July 27, 1999
4-I	Warrant Agreement, dated July 27, 1999, between Hercules and The Chase Manhattan Bank, as warrant agent	Exhibit 4.4, Current July 27, 1999
4-J	Form of Series A Junior Subordinated Deferrable Interest Debentures	Exhibit 4.5, Current July 27, 1999
4-K	Form of Trust II Preferred Securities	Exhibit 4.6, Current July 27, 1999
4-L	Form of CRESTS Unit	Exhibit 4.7, Current July 27, 1999
4-M	Form of Warrant	Exhibit 4.8, Current July 27, 1999
4-N	Rights Agreement, dated as of August 24, 2000, between Hercules Incorporated and Chase Mellon Shareholder Services, L.L.C.	Exhibit 4.1 to Hercu Certain Classes of S filed August 10, 200

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### HERCULES INCORPORATED

NUMBER -----	DESCRIPTION -----	INCORPORAT -----
4-O	Indenture, dated as of November 14, 2000, between Hercules Incorporated, as issuer and Wells Fargo Bank Minnesota, N.A., as trustee (including the form of 11 1/8% senior notes due 2007 included as Exhibit A thereto).	Exhibit 4-A, Quarter filed November 14, 2
4-P	Registration Rights Agreement, dated as of November 14, 2000, among Hercules Incorporated and all of its domestic subsidiaries and Donaldson, Lufkin & Jenrette Securities Corporation and Credit Suisse First Boston Corporation, as the initial purchasers.	Exhibit 4-B Quarterl filed November 14, 2

Hercules is party to several long-term debt instruments under which in each case the total amount of securities authorized does not exceed 10% of the total assets of Hercules. Hercules agrees to furnish a copy of such instruments to the Securities and Exchange Commission upon request.

10-A	Hercules Executive Survivor Benefit Plan	Exhibit 10-D, Annual filed March 27, 1981
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10-B	Hercules Phantom Stock Plan	Exhibit E, Notice of Statement, dated Feb
10-C	Hercules Deferred Compensation Plan	Exhibit 10-I, Annual filed March 29, 1988
10-D	Hercules Annual Management Incentive Compensation Plan	Exhibit 10-H, Annual filed March 26, 1993
10-E	Hercules 1993 Non-employee Director Stock Accumulation Plan	Exhibit 4.1, Registr S-8, filed July 16,
10-F	Hercules Deferred Compensation Plan for Non-employee Directors	Exhibit 10-J, Annual filed March 26, 1993
10-G	Hercules Employee Pension Restoration Plan	Exhibit 10-L, Annual filed March 26, 1993
10-H	Form of Employment Contract between Hercules and certain of its officers	Exhibit 10-J, Annual filed March 29, 1988
10-I	Form of Indemnification Agreement between Hercules and certain officers and directors of Hercules	Annex II, Notice of Statement, dated Feb
10-J	Employment Agreement effective August 1, 1998, between Hercules and Vincent J. Corbo	Exhibit 10-T, Annual filed March 30, 1999
10-K	Hercules Amended and Restated Long Term Incentive Compensation Plan	Exhibit 10-K, Annual filed March 29, 2000
10-L	BetzDearborn Inc. Employee Stock Ownership and 401(k) Plan	Exhibit 10-L, Annual filed March 29, 2000
10-M	Underwriting Agreement, dated March 12, 1999, among Hercules, Hercules Trust I and the Underwriters named therein	Exhibit 1.1, Current March 17, 1999
10-N	CRESTS Units Underwriting Agreement, dated July 21, 1999, among Hercules, Hercules Trust II and the Underwriters named therein	Exhibit 1.1, Current July 27, 1999
10-O	Common Stock Underwriting Agreement, dated July 21, 1999, among Hercules and the Underwriters named therein	Exhibit 1.2, Current July 27, 1999

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HERCULES INCORPORATED

NUMBER -----	DESCRIPTION -----	INCORPORAT -----
10-P	Share Purchase Agreement, dated as of August 10, 2000, among CP Kelco ApS (formerly known as Hercules Copenhagen ApS), Hercules Investment ApS, Hercules Incorporated, Lehman FG Newco, Inc., WSP, Inc. and Hercules Holding BV/BVBA	Exhibit 2-1, Current September 28, 2000

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10-Q	Form of Change-of-Control Employment Agreements entered into as of August 24, 2002 by Hercules Incorporated and each of Robert C. Flexon and Craig A. Rogerson.	Exhibit 10-19, Regis S-4, filed August 9,
10-R	Resignation Agreement, dated as of October 17, 2000, between Hercules Incorporated and Vincent J. Corbo	Exhibit 10-20, Regis S-4, filed August 9,
10-S	Letter Agreement, dated November 1, 2000, between Hercules Incorporated and Harry J. Tucci	Exhibit 10-21, Regis S-4, filed August 9,
10-T	Letter Agreement, dated November 1, 2000, between Hercules Incorporated and Thomas L. Gossage	Exhibit 10-B, Quarte filed May 16, 2001
10-U	Employment Agreement, effective as of May 8, 2001, between Hercules Incorporated and William H. Joyce	Exhibit 10-A, Quarte filed May 16, 2001
10-V	Change-of-Control Employment Agreement, dated as of May 8, 2001, by and between Hercules Incorporated and William H. Joyce	Exhibit 10-24, Regis S-4, filed August 9,
10-W	Form of Change-of-Control Employment Agreement entered into as of June 15, 2001 by Hercules Incorporated and Richard G. Dahlen	Exhibit 10-25, Regis S-4, filed August 9,
10-X	Separation Agreement and General Release of Claims, dated June 22, 2001, between Hercules Incorporated and June B. Barry	Exhibit 10-26, Regis S-4, filed August 9,
10-Y	Separation Agreement and General Release of Claims, dated June 21, 2001, between Hercules Incorporated and George MacKenzie	Exhibit 10-27, Regis filed August 9, 2001
10-Z	Change-of-Control Employment Agreement, dated as of July 2, 2001, by and between Hercules Incorporated and Fred G. Aanonsen	Exhibit 10-28, Regis S-4, filed August 9,
10-Aa	Stock and Asset Purchase Agreement, dated as of February 12, 2002, by and among Hercules Incorporated, General Electric Company and Falcon Acquisition Corp.	Exhibit 10.1, Curren February 12, 2002
10-Bb	Amendment 2002-1 to Amended and Restated Long Term Incentive Compensation Plan	Exhibit I, Notice of Statement, dated May
10-Cc	Amendment 2002-1 to Non-Employee Director Stock Accumulation Plan	Exhibit II, Notice of Statement, dated May
10-Dd	Credit Agreement, dated December 20, 2002, among Hercules Incorporated, certain subsidiaries of Hercules, several banks and other financial institutions identified in the agreement and Credit Suisse First Boston, as administrative agent	Exhibit 10-Dd, Annua filed March 31, 2003
10-Ee*	Hercules Incorporated Compensation Benefits Grantor Trust Agreement for Management Employees	



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NUMBER -----	DESCRIPTION -----	INCORPORAT -----
10-Ff*	Hercules Incorporated Compensation Benefits Grantor Trust Agreement for Nonemployee Directors	
10-Gg*	Amended and Restated Hercules Incorporated Management Incentive Compensation Plan, dated February 21, 2003	
21.1	Subsidiaries of Registrant	See Part II, Item 8 Report on Form 10-K,
23.1	Consent of Independent Accountants	Exhibit 23.1, Annual filed March 31, 2003
99.1	Certification of Chairman and Chief Executive Officer Pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Exhibit 99.1, Annual filed March 31, 2003
99.2	Certification of Vice President and Controller Pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Exhibit 99.2, Annual filed March 31, 2003
99.3	Certification of Chairman and Chief Executive Officer Pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Exhibit 99.3, Annual filed April 30, 2003
99.4	Certification of Vice President and Controller Pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Exhibit 99.4, Annual filed April 30, 2003
99.5*	Certification of Vice President and Controller Pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	
99.6*	Certification of Chairman and Chief Executive Officer Pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	

\* Filed herewith