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HERCULES INC
Form DEFA14A
April 23, 2001

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

SCHEDULE 14A
(RULE 14A-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE
14A-6(E)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to Rule 14a-12

Hercules Incorporated

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

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

4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

[] Fee paid previously with preliminary materials.

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

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

[This is an updated version of Annex I to Hercules' proxy statement and related beneficial ownership information (appearing on pages 19-21 of the proxy statement).]

ANNEX I

INFORMATION CONCERNING THE DIRECTORS AND CERTAIN OFFICERS
OF THE COMPANY WHO ALSO MAY SOLICIT PROXIES

The following table sets forth the name, principal business address and the present office or other principal occupation or employment, and the name, principal business and the address of any corporation or other organization in which their employment is carried on, of the directors and certain officers of Hercules ("Participants") who also may solicit proxies from Hercules shareholders. Unless otherwise indicated, the principal occupation refers to such person's position with the Company and the business address is Hercules Incorporated, Hercules Plaza, 1313 North Market Street, Wilmington, DE 19894-0001.

DIRECTORS

The principal occupations of the Company's directors who are deemed Participants in the solicitation are set forth under "Proposal (1) Election of Directors" in this proxy statement. The principal business address of Mr.

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Gossage is that of the Company. The name, business and address of the director-Participants' organization of employment are as follows:

NAME	ADDRESS
Thomas L. Gossage	Hercules Incorporated, 1313 N. Market Street, Wilmington, DE 19894-0001
John G. Drosdick	Sunoco, Inc., Ten Penn Center, 1801 Market Street, Philadelphia, PA 19103-1699
Richard M. Fairbanks, III	Center for Strategic & International Studies, Suite 400, 1800 K Street, N.W., Washington, DC 20006-2202
Alan R. Hirsig	*
Edith E. Holiday	*
Gaynor N. Kelley	*
Ralph L. MacDonald	Amelia Investment Corp., 1890 South 14th Street, Suite 110, Amelia Island, FL 32034-4730
George MacKenzie	Hercules Incorporated, 1313 N. Market Street, Wilmington, DE 19894-0001
H. Eugene McBrayer	*
Peter McCausland	Airgas, Inc., PO Box 6675, Radnor, PA 19087-8675
John A. H. Shober	ESU Associates, 12 Bugle Lane, Blue Bell, PA 19422
Paula A. Sneed	Kraft Foods, 3 Lakes Drive, Northfield, IL 60093-9999

 * Unless otherwise indicated, the Director's address is c/o Hercules Incorporated, 1313 N. Market Street, Wilmington, Delaware 19894-0001.

EXECUTIVE OFFICERS AND CERTAIN CORPORATE OFFICERS

NAME	PRINCIPAL OCCUPATION
Thomas L. Gossage	Chairman and Chief Executive Officer
Israel J. Floyd	Executive Vice President, Secretary and General Counsel
George MacKenzie	Vice Chairman
J. Neil Stalter	Vice President, Corporate Communications
Allen A. Spizzo	Vice President, Corporate Affairs and Strategic Planning

INFORMATION REGARDING OWNERSHIP OF THE COMPANY'S SECURITIES BY PARTICIPANTS

None of the Participants owns any of the Company's securities of record but not beneficially. The number of shares of common stock of the Company held by directors and the named executive officers is set forth under the "Beneficial

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Ownership of Stock" section of this proxy statement. The number of shares

of common stock of the Company held by the other Participants as April 12, 2001 is set forth below. The information includes Hercules common shares that may be acquired by the exercise of stock options within 60 days of April 12, 2001:

NAME	SHARE OWNERSHIP*
Allen A. Spizzo	3,173
J. Neil Stalter	11,854

* Includes shares as April 12, 2001, in the Savings and Investments Plan as follows: A. A. Spizzo, 1,318 and J.N. Stalter, 485. Includes shares with restrictions and forfeiture risks as specified under the Long-Term Incentive Compensation Plan: A. A. Spizzo, 1,055 and J. N. Stalter, 8,854.

INFORMATION REGARDING TRANSACTIONS IN THE COMPANY'S SECURITIES BY PARTICIPANTS

The following table sets forth purchases and sales of the Company's securities by the Participants listed below during the past two years. Unless otherwise indicated, all transactions are in the public market.

Name	Date	Number of Shares of Common Stock Purchased or (Sold)	Notes	Name	Date
DIRECTORS				EXECUTIVE OFFICERS	
John G. Drosdick	2/18/1999	1,419	(1)	June B. Barry	6/15/19
	5/11/1999	750	(1)		11/2/19
	5/11/1999	1,500	(1)		2/15/20
	2/8/2000	2,754	(1)		2/15/20
Richard Fairbanks	2/18/1999	1,711	(1)		10/16/20
	11/30/1999	82	(1)		10/16/20
	2/8/2000	2,754	(1)	Vincent J. Corbo	2/1/19
Thomas L. Gossage	10/17/2000	128,003	(2)		11/2/19
Alan R. Hirsig	2/18/1999	1,419	(1)		11/1/20
	5/11/1999	750	(1)		11/1/20
	5/11/1999	1,500	(1)	Dominick W. DiDonna	2/1/19
	2/8/2000	2,885	(1)		11/2/19
Edith E. Holiday	2/18/1999	417	(1)	Israel J. Floyd	2/1/19
	2/8/2000	655	(1)		5/3/19
Robert G. Jahn	1/18/1999	1,836	(1)		11/2/19
	2/8/2000	3,148	(1)		3/1/20
Gaynor N. Kelley	2/18/1999	918	(1)		5/1/20
	2/8/2000	1,605	(1)	Harry J. Tucci	2/1/19
Ralph L. MacDonald	2/18/1999	1,711	(1)		2/18/19
	2/8/2000	2,557	(1)		5/13/19
George MacKenzie	2/1/1999	(609)	(3)		11/2/19
	2/18/1999	751	(2)		6/2/20
	11/2/1999	38,000	(2)		12/1/20
	1/20/2000	30,000	(2)		12/1/20
H. Eugene McBrayer	2/18/1999	1,878	(1)		12/1/20

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	2/8/2000	3,017	(1)		12/1/20
Peter McCausland	2/18/1999	1,419	(1)		12/1/20
	2/8/2000	2,754	(1)		12/1/20
Paula A. Sneed	2/18/1999	1,878	(1)		
	2/8/2000	3,148	(1)		

1. Acquisition of restricted shares pursuant to the Company's Non-employee Director Stock Accumulation Plan.
2. Acquisition of restricted shares pursuant to the Company's Long-Term Incentive Compensation Plan.
3. Surrender of shares to pay withholding tax on restricted shares whose restrictions lapsed.
4. Acquired under the Company's Long-Term Incentive Compensation Plan.
5. Acquired upon exercise of options.

MISCELLANEOUS INFORMATION CONCERNING PARTICIPANTS

Except as described in this Annex I or in the proxy statement, none of the participants nor any of their respective affiliates or associates (together, the "Participant Affiliates"), (i) directly beneficially owns any shares of common stock of the Company or any securities of any subsidiary of the Company or (ii) has

had any relationship with the Company in any capacity other than as a shareholder, employee, officer or director. Furthermore, except as described in this Annex I or in the proxy statement, no Participant or Participant Affiliate is either a party to any transaction or series of transactions since December 31, 1999, or has knowledge of any currently proposed transaction or series of transactions, (i) to which the Company or any of its subsidiaries was or is to be a party, (ii) in which the amount involved exceeds \$60,000, and (iii) in which any Participant or Participant Affiliate had or will have, a direct or indirect material interest. Except as described in this Annex I or in the proxy statement, no participant or Participant Affiliate has any arrangement or understanding with any person (i) with respect to any future employment by the registrant or its affiliates; or (ii) with respect to any future transactions to which the registrant or any of its affiliates will or may be a party.

BENEFICIAL OWNERSHIP OF STOCK

The following table sets forth information, as of April 12, 2001, with respect to the beneficial ownership of Hercules common shares by

- o beneficial owners of more than five percent of Hercules common stock,
- o each Hercules director and nominee for director,
- o each of the executive officers named in the summary compensation table set forth below, and
- o all directors, nominees and executive officers of Hercules as a group.

This beneficial ownership is reported in accordance with the rules of the SEC, under which a person may be deemed to be the beneficial owner of shares if

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that person has or shares the power to vote or dispose of those shares or has the right to acquire beneficial ownership of those shares within 60 days (for example, through the exercise of an option). Accordingly, the shares shown in the table as beneficially owned by certain individuals may include shares owned by certain members of their respective families. Because of these rules, more than one person may be deemed to be the beneficial owner of the same shares. The inclusion of the shares shown in the table is not necessarily an admission of beneficial ownership of those shares by the person indicated.

Name	Shares Beneficially Owned (1)	Options Exercisable Within 60 Days	Restricted Stock Units
DIRECTORS AND OFFICERS			
Thomas L. Gossage, Director and Officer(2)	129,003	264,000	0
J. Barry, Officer	72,963	7,200	0
D.W. DiDonna, Officer	44,710	148,100	0
J.G. Drosdick, Director	9,423	6,000	1,100
R.M. Fairbanks, III, Director	12,088	21,000	1,253
I.J. Floyd, Officer	66,017	71,800	0
A.R. Hirsig, Director	6,554	6,000	1,100
E.E. Holiday, Director	3,999	18,000	1,376
R.G. Jahn, Director	14,236	27,000	0
G.N. Kelley, Director	9,744	27,000	2,185
R.L. MacDonald, Jr., Director	15,421	27,000	1,928
G. MacKenzie, Officer	127,091	190,820	1,299
H.E. McBrayer, Director	77,324	24,000	1,527
P. McCausland, Director	7,784	9,000	1,100
J.A.H. Shober, Director	5,250	6,000	1,100
P.A. Sneed, Director	11,925	18,000	1,253
V.J. Corbo, Director and Officer(3)	109,119	245,200	0
H.J. Tucci, Officer(4)	53,231	209,200	0
ALL DIRECTORS AND EXECUTIVE OFFICERS			
AS A GROUP	775,882	1,325,320	15,221
5% SHAREHOLDERS			
International Specialty Products, Inc.(5)	10,719,200		
ISP Investments Inc.			
ISP Opco Holdings Inc.			
c/o ISP Management Company, Inc.			
1361 Alps Road			
Wayne, New Jersey 07670			
T. Rowe Price Associates, Inc.(6)	7,198,428		
100 E. Pratt Street			
Baltimore, Maryland 21202			
Mario J. Gabelli and related entities(7)	6,707,400		
c/o Gabelli Asset Management Inc.			
One Corporate Center			
Rye, New York 10580			

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* Less than 1% of the outstanding Hercules common shares. As of April 12, 2001, there were 108,020,963 shares of Hercules common stock outstanding.

1. Includes shares, as of April 12, 2001, in the Hercules Savings and Investments Plan as follows: J. Barry, 3,409; D.W. DiDonna, 1,349; I. J. Floyd, 1,445; and G. MacKenzie, 3,515; and all directors and officers as a group, 9,718. Includes shares with restrictions and forfeiture risks as specified under the Long-Term Incentive Compensation Plan: T. L. Gossage, 128,003; J. Barry, 38,000; D.W. DiDonna, 39,747; G. MacKenzie, 76,270; I. J. Floyd, 45,910; H. J. Tucci, 1,821; and all directors and executive officers as a group, 274,956. Owners have the same voting and dividend rights as other shareholders of Hercules, but no right to sell or transfer. Included in the non-employee directors' totals is a one-time equity award. Mr. Kelley's total includes 1,594 shares that he holds jointly with his spouse.
2. Named Chairman and Chief Executive Officer on October 17, 2000.
3. Resigned as President, Chairman and Chief Executive Officer on October 17, 2000.
4. Retired on December 1, 2000.
5. Share holding as of April 12, 2001, as reported on Amendment No. 11 to the Schedule 13D filed by such shareholder.
6. Share holding as of April 12, 2001, as reported on Schedule 13G most recently filed by such shareholder.
7. Share holding as of April 12, 2001, as reported on Amendment No. 1 to the Schedule 13D filed by such shareholder.