

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8

**REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933**

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware

*(State of Incorporation)
Identification No.)*

58-1954497

(I.R.S. Employer

1940 N.W. 67th Place, Gainesville, FL 32653

(Address of principal executive offices) (Zip Code)

PERMA-FIX ENVIRONMENTAL SERVICES, INC. 1992 OUTSIDE DIRECTORS
STOCK OPTION AND INCENTIVE PLAN
(f/k/a 1992 OUTSIDE DIRECTORS STOCK OPTION PLAN)

PERMA-FIX ENVIRONMENTAL SERVICES, INC. 1993 NONQUALIFIED
STOCK OPTION PLAN

(Full Titles of Plans)

Dr. Louis F. Centofanti, Chief Executive Officer
1940 N.W. 67th Place

Gainesville, Florida 32653

(352) 373-4200

(Name, address and telephone number of agent for service)

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock	572,455 ⁽¹⁾	\$3.02 - \$5.25 ⁽¹⁾	\$2,082,164 ⁽¹⁾	\$664.83 ⁽¹⁾
Common Stock	2,544,171 ⁽²⁾	\$0.75 - \$3.25 ⁽³⁾	\$3,785,675.58 ⁽³⁾	\$904.77 ⁽³⁾

⁽¹⁾ Previously paid. These 572,455 shares were registered under the Form S-8, Registration No. 33-80580, filed on June 20, 1994 (the "1994 Form S-8"), and the \$664.83 filing fee was paid at that time. These 572,455 shares represent the maximum number of shares which remained issuable as of such filing date pursuant to the 1991 Performance Equity Plan (the "1991 Plan"), the 1992 Outside Directors Stock Option and Incentive Plan, f/k/a the 1992 Outside Directors Stock Option Plan (the "1992 Plan"), and the 1993 Nonqualified Stock Option Plan (the "1993 Plan"), which were 349,526, 100,000, and 122,929 shares, respectively.

⁽²⁾ The additional 2,544,171 shares of Common Stock to be registered represent 400,000 additional shares issued or issuable pursuant to the 1992 Plan and 2,144,171 additional shares issuable under the 1993 Plan. The maximum number of shares of Common Stock which may be issued pursuant to options granted under the 1993 Plan in any given year shall not exceed 12% of the number of shares of Common Stock outstanding as of December 31 of the

preceding year, less the

number of shares of Common Stock covered by outstanding stock options issued under the Company's 1991 Plan as of December 31 of such preceding year. Accordingly, the number of shares issuable under the 1993 Plan may vary from year to year. As of the date of this Registration Statement, options have been granted under the 1993 Plan for up to 2,267,100 shares of Common Stock. This Registration Statement covers the additional 2,144,171 shares of Common Stock subject to options granted under the 1993 Plan which were not registered under the 1994 Form S-8.

⁽³⁾ In accordance with Rule 457(h) and (c), the maximum offering price and the calculation of the registration fee are based upon (i) the aggregate actual exercise price for 2,389,171 shares subject to options previously granted under the 1992 Plan and 1993 Plan, (ii) the actual issue price with respect to 84,330 shares issued under the 1992 Plan as directors' compensation, and (iii) with respect to the remaining 70,670 shares available for issuance under the 1992 Plan, on the basis of the average high and low price for the Common Stock on December 26, 2001, of \$2.67, as reported on the National Association of Securities Dealers Automated Quotation System. The following chart sets forth the calculation of the registration fee as to shares which are presently covered by outstanding options under the 1992 Plan and the 1993 Plan or previously issued under the 1992 Plan:

Number of Shares Subject to Outstanding Stock Options/Directors' Fees Under 1992 Plan	Offering/Issue Price Per Share	Aggregate Offering Price
12,000	\$0.75	\$9,000.00
12,293	\$0.89	\$10,940.77
55,412	\$0.94	\$52,087.28
10,618	\$1.03	\$10,936.54
7,455	\$1.07	\$7,976.85
7,216	\$1.10	\$7,937.60
23,958	\$1.13	\$27,072.54
6,524	\$1.22	\$7,959.28
30,000	\$1.25	\$37,500.00
6,860	\$1.31	\$8,986.60
12,469	\$1.36	\$16,957.84
20,750	\$1.38	\$28,635.00
5,382	\$1.48	\$7,965.36
4,987	\$1.59	\$7,929.33
19,712	\$1.69	\$33,313.28
35,000	\$1.75	\$61,250.00
4,417	\$1.80	\$7,950.60
15,000	\$2.13	\$31,950.00
4,277	\$2.19	\$9,366.63
15,000	\$2.43	\$36,450.00
10,000	\$2.75	\$27,500.00
10,000	\$3.25	\$32,500.00
429,330		\$482,165.50

**Number of
Shares Subject to**

Outstanding Stock Options Under 1993 Plan	Offering/Issue Price Per Share	Aggregate Offering Price
261,671	\$1.00	\$261,671.00
269,500	\$1.38	\$371,910.00
672,000	\$1.25	\$840,000.00
23,000	\$1.50	\$34,500.00
918,000	\$1.75	\$1,606,500.00
2,144,171		\$3,114,581.00

PART II. INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Perma-Fix Environmental Services, Inc. (the "Company") filed its original Form S-8 Registration Statement, File No. 33-80580, with the Securities and Exchange Commission on June 20, 1994 (the "1994 Form S-8") to register 572,455 shares of Common Stock, comprised of the following:

- * 349,526 shares issuable under the 1991 Performance Equity Plan;
- * 100,000 shares issuable under the 1992 Outside Directors Stock Option Plan, which is now known as the 1992 Outside Directors Stock Option and Incentive Plan (the "1992 Plan"); and
- * 122,929 shares issuable under the 1993 Nonqualified Stock Option Plan.

This Form S-8 Registration Statement is filed to register 2,544,171 additional shares of Common Stock issued or issuable under the 1992 Plan and the 1993 Plan, as follows:

- * an additional 400,000 shares under the 1992 Plan, resulting in a maximum of 500,000 shares issued or issuable under the 1992 Plan; and
- * an additional 2,144,171 shares under the 1993 Plan, resulting in a maximum of 2,267,100 shares issued or issuable under the 1993 Plan.

Item 3. Incorporation of Documents by Reference.

The following documents filed by the Company with the Securities Exchange Commission are incorporated herein by reference:

- (a) The Company's annual report on Form 10-K for the fiscal year ended December 31, 2000;
- (b) The Company's quarterly reports on Form 10-Q for the quarter ended March 31, 2001, filed on May 14, 2001; for the quarter ended June 30, 2001, filed on August 20, 2001; and for the quarter ended September 30, 2001, filed on November 19, 2001;
- (c) The Company's current reports on Form 8-K (Date of Event: January 31, 2001) filed on February 26, 2001; (Date of Event: March 21, 2001) filed on April 6, 2001; (Date of Event: April 6, 2001) filed on May 14, 2001; (Date of Event: June 15, 2001) filed on July 5, 2001; (Date of Event: July 9, 2001) filed on July 20, 2001; (Date of Event: July 30, 2001) filed on August 7, 2001, and the amendment to the current report on Form 8-K/A (Date of Event: June 15, 2001) filed September 10, 2001;

- (d) All documents filed pursuant to Sections 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Annual Report on Form 10-K referenced in (a) above; and
- (e) Description of the Company's Common Stock set forth in the Registrant's Form S-1 Registration Statement, No. 33-51874.

All documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this Registration Statement and prior to the filing of a post-effective amendment, which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents (such documents, and the documents listed above, being hereinafter referred to as "Incorporated Documents"). Any statement contained in an Incorporated Document shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed Incorporated Document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

The Registrant's Restated Certificate of Incorporation provides for the indemnification by the Registrant of its directors and officers to the full extent permitted by Section 145 of the General Corporation Law of the State of Delaware (or any similar provision or provisions of applicable law at the time in effect). This indemnification is not deemed exclusive of any other rights to which those seeking indemnification might be entitled under any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office. This indemnification will continue as to such person who was a director or officer of the Registrant, but has ceased to be a director or officer and inure to the benefit of the heirs, executors and administrators of such person.

Effective as of November 26, 1991, the Restated Certificate of Incorporation of the Registrant was amended to, among other things, limit the liability of its directors to the corporation or its stockholders for any monetary damages for breaches of fiduciary duty as a director. Under the Registrant's Restated Certificate of Incorporation, as amended, and as permitted under the Delaware General Corporation Law, directors are not liable to the Registrant or its stockholders for monetary damages arising from a breach of their fiduciary duties as directors. Such provision, however, does not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Registrant or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under Section 174 of the Delaware General Corporation Law (relating to liability of directors for unlawful payment of dividend or unlawful stock purchase or redemption); or (iv) for any transaction from which the director derived an improper personal benefit. The director's limitations of liability described above may not limit a director's liability for violation of, or otherwise relieve the Registrant or its directors from the necessity of complying with, federal or state securities laws or affect the availability of equitable remedies, such as injunctive relief or rescission. However, as a practical matter, equitable remedies may not be available in all situations, and there may be instances in which no effective remedy is available at all.

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Item 7. Exemption from Registration Claimed

Not applicable.

Item 8. Exhibits

**Exhibit
Number**

Description of Document

- 4.1 Restated Certificate of Incorporation, as amended, of the Registrant⁽³⁾
- 4.2 Bylaws of the Registrant⁽¹⁾
- 4.3 Specimen Common Stock Certificate⁽¹⁾
- 5 Opinion of Conner & Winters, P.C.⁽³⁾
- 23.1 Consent of Conner & Winters, P.C. (incorporated into Exhibit 5 hereto)⁽³⁾
- 23.2 Consent of BDO Seidman, LLP⁽³⁾
- 99.1 Perma-Fix Environmental Services, Inc. 1992 Outside Directors Stock Option and Incentive Plan, as amended⁽³⁾
- 99.2 Perma-Fix Environmental Services, Inc. 1993 Nonqualified Stock Option Plan⁽²⁾

(1) Filed as an exhibit to the Registration Statement on Form S-1 (Registration No. 33-51874), filed on September 11, 1992, or amendments thereto, and is incorporated herein by reference.

(2) Filed as an exhibit to the Registrant's Proxy Statement relating to the Registrant's 1993 Annual Meeting, filed October 8, 1993, and is incorporated herein by reference.

(3) Filed contemporaneously herewith.

Item 9. Undertakings.

The Registrant hereby undertakes:

- (a) To file, during any period in which offers or sales are being made of the securities registered hereby, a post-effective amendment to this Registration Statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933 (the "Securities Act");
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

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provided, however, that the undertakings set forth in paragraphs (a)(i) and (a)(ii) above do not apply if the Registration Statement is on Form S-3 or Form S-8 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") that are incorporated by reference in this Registration Statement.

- (b) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

- (c) To remove from registration by means of a post-effective amendment any of the securities being registered remaining unsold at the termination of the offering.
- (d) That, for purpose of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in this Registration Statement shall be deemed to be a new Registration Statement relating to the Securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (e) To deliver, or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X are not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.
- (f) Insofar as indemnification for liabilities rising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions of the Restated Certificate of Incorporation or Bylaws of the Registrant and the provisions of the laws of the State of Delaware described in Item 6, above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expense incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Form S-8 Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Gainesville, State of Florida, on the 20th day of December, 2001.

INC.

PERMA-FIX ENVIRONMENTAL SERVICES,

By /s/ Louis Centofanti

Dr. Louis F. Centofanti

Chairman of the Board and President

Pursuant to the requirements of the Securities Act of 1933 this report has been signed below by the following persons on behalf of the registrant and in capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Louis Centofanti</u> Dr. Louis F. Centofanti	Chairman of the Board of Directors, President, and Chief Executive Officer (Principal Executive Officer)	December 20, 2001
<u>/s/ Richard T. Kelecy</u> Richard T. Kelecy	Chief Financial Officer (Principal Financial and Accounting Officer)	December 20, 2001
<u>/s/ Mark A. Zwecker</u> Mark A. Zwecker	Director	December 20, 2001
<u>/s/ Jon Colin</u> Jon Colin	Director	December 20, 2001
<u>/s/ Thomas P. Sullivan</u> Thomas P. Sullivan	Director	December 21, 2001
<u>/s/ Jack Lahav</u> Jack Lahav	Director	December 20, 2001

State of Delaware
Office of the Secretary of State

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I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS FILED FROM AND INCLUDING THE RESTATED CERTIFICATE OF "PERMA-FIX ENVIRONMENTAL SERVICES, INC." AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

RESTATED CERTIFICATE, FILED THE TWENTY-SIXTH DAY OF NOVEMBER, A.D. 1991, AT 10 O'CLOCK A.M.

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "NATIONAL ENVIRONMENTAL INDUSTRIES, LTD." TO "PERMA-FIX ENVIRONMENTAL SERVICES, INC.", FILED THE SEVENTEENTH DAY OF DECEMBER, A.D. 1991, AT 4:30 O'CLOCK A.M.

CERTIFICATE OF AMENDMENT, FILED THE FOURTH DAY OF SEPTEMBER, A.D. 1992, AT 11:30 O'CLOCK A.M.

CERTIFICATE OF DESIGNATION, FILED THE SIXTH DAY OF FEBRUARY, A.D. 1996, AT 4 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE TWENTIETH DAY OF FEBRUARY, A.D. 1996, AT 10:45 O'CLOCK A.M.

CERTIFICATE OF DESIGNATION, FILED THE NINETEENTH DAY OF JULY, A.D. 1996, AT 12:30 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE SIXTEENTH DAY OF DECEMBER, A.D. 1996, AT 4:30 O'CLOCK P.M.

CERTIFICATE OF AMENDMENT, FILED THE SIXTH DAY OF JANUARY, A.D. 1997, AT 4:30 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE ELEVENTH DAY OF JUNE, A.D. 1997, AT 11 O'CLOCK A.M.

CERTIFICATE OF DESIGNATION, FILED THE FOURTEENTH DAY OF JULY, A.D. 1997, AT 11:15 O'CLOCK A.M.

CERTIFICATE OF DESIGNATION, FILED THE THIRTEENTH DAY OF NOVEMBER, A.D. 1997, AT 1:30 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION FILED THE THIRTEENTH DAY OF NOVEMBER, A.D. 1997, AT 1:31 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE TWENTH-SIXTH DAY OF NOVEMBER, A.D. 1997, AT 10 O'CLOCK A.M.

CERTIFICATE OF DESIGNATION, FILED THE TENTH DAY OF JULY, A.D. 1998, AT 12 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE SIXTEENTH DAY OF JULY, A.D. 1998, AT 1:30 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE SIXTEENTH DAY OF JULY, A.D. 1998, AT 1:31 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE SIXTEENTH DAY OF JULY, A.D. 1998, AT 1:32 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE FIFTEENTH DAY OF JULY, A.D. 1999, AT 12:30 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE FIFTEENTH DAY OF JULY, A.D. 1999, AT 12:31 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE FIFTEENTH DAY OF JULY, A.D. 1999, AT 12:32 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE FIFTEENTH DAY OF JULY, A.D. 1999, AT 12:33 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE TENTH DAY OF AUGUST, A.D. 1999, AT 12:30 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE TENTH DAY OF AUGUST, A.D. 1999, AT 12:31 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE TENTH DAY OF AUGUST, A.D. 1999, AT 12:32 O'CLOCK P.M.

CERTIFICATE OF DESIGNATION, FILED THE TENTH DAY OF AUGUST, A.D. 1999, AT 12:33 O'CLOCK P.M.

THE CERTIFICATE OF RESTATED CERTIFICATE OF "NATIONAL ENVIRONMENTAL INDUSTRIES, LTD." FILED IN THIS OFFICE ON THE TWENTY- SIXTH DAY OF NOVEMBER, A.D. 1991 AT 10 O'CLOCK A.M.

/s/ Edward J. Freel
Edward J. Freel, Secretary of State

2249849 8100X

AUTHENTICATION: 0642864

001433866

DATE: 08-28-00

RESTATED CERTIFICATE OF INCORPORATION

OF
NATIONAL ENVIRONMENTAL INDUSTRIES, LTD.

1. The present name of the corporation (hereinafter called the "Corporation") is National Environmental Industries, Ltd., and the date of filing the original certificate of incorporation of the Corporation with the Secretary of State of the State of Delaware is December 19, 1990.

2. The certificate of incorporation of the Corporation is hereby amended by striking out Articles FOURTH through NINTH thereof and by substituting in lieu thereof new Articles FOURTH through NINTH as set forth in the Restated Certificate of Incorporation hereinafter provided for.

3. The provisions of the certificate of incorporation as heretofore amended and/or supplemented, and as herein amended, are hereby restated and integrated into the single instrument which is hereinafter set forth, and which is entitled Restated Certificate of Incorporation of National Environmental Industries, Ltd. without any further amendment other than the amendment certified herein and without any discrepancy between the

provisions of the certificate of incorporation as heretofore amended and supplemented and the provisions of the said single instrument hereinafter set forth.

4. The amendment and restatement of the certificate of incorporation herein certified have been duly adopted by the stockholders in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware. Prompt written notice of the adoption of the amendment and of the restatement of the certificate of incorporation herein certified has been given to those stockholders who have not consented in writing thereto, as provided in Section 228 of the General Corporation Law of the State of Delaware.

5. The certificate of incorporation of the Corporation, as amended and restated herein, shall at the effective time of this Restated Certificate of Incorporation, read as follows:

"Restated Certificate of Incorporation
of
National Environmental Industries, Ltd.

FIRST: The name of the Corporation is National Environmental Industries, Ltd.

SECOND: The address of the Corporation's registered office in the State of Delaware is 32 Loockerman Square, Suite L-100, City of Dover, County of Dover. The name of its registered agent at such address is The Prentice-Hall Corporation System, Inc.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the laws of the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of capital stock which the Corporation shall have authority to issue is Twenty-Two Million (22,000,000) shares, of which Twenty Million (20,000,000) shares shall be Common Stock, par value \$.001 per share, and Two Million (2,000,000) shares shall be Preferred Stock, \$.001 par value per share.

The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby expressly authorized to provide, by resolution or resolutions duly adopted by it prior to issuance, for the creation of each such series and to fix the designation and the powers, preferences, rights, qualifications, limitations and restrictions relating to the shares of each such series. The authority of the Board of Directors with respect to each such series of Preferred Stock shall include, but not be limited to, determining the following:

(a) the designation of such series, the number of shares to constitute such series and the stated value if different from the par value thereof;

(b) whether the shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;

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(c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of stock of any other class or any other series of Preferred Stock;

(d) whether the shares of such series shall be subject to redemption by the Corporation, and, if so, the times, prices and other conditions of such redemption;

(e) the amount or amounts payable upon shares of such series upon, and the rights of the holders of such series in, the voluntary or involuntary liquidation, dissolution or winding up, or upon any distribution of the assets of the Corporation;

(f) whether the shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the shares of such series for retirement or other corporate purposes and the terms and provisions relating to the operation thereof;

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(g) whether the shares of such series shall be convertible into, or exchangeable for, shares of stock of any other class or any other series of Preferred Stock or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

(h) the limitations and restrictions, if any, to be effective while any shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Corporation of, the Common Stock or shares of stock of any other class or any other series of Preferred Stock;

(i) the conditions or restrictions, if any, upon the creation of indebtedness of the Corporation or upon the issue of any additional stock, including additional shares of such series or of any other series of Preferred Stock or of any other class; and

(j) any other powers, preferences and relative participating, optional and other special rights, and any qualifications, limitations and restrictions thereof.

The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof,

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if any, may differ from those of any and all other series at any time outstanding. All shares of any one series of Preferred Stock shall be identical in all respects with all other shares of such series, except that shares of any one series issued at different times may differ as to the dates from which dividends thereof shall be cumulative.

FIFTH: Unless required by law or determined by the chairman of the meeting to be advisable, the vote by stockholders on any matter, including the election of directors, need not be by written ballot.

SIXTH: The Corporation reserves the right to increase or decrease its authorized capital stock, or any class or series thereof, and to reclassify the same, and to amend, alter, change or repeal any provision contained in the Certificate of Incorporation under which the Corporation is organized or in any amendment thereto, in the manner now or hereafter prescribed by law, and all rights conferred upon stockholders in said Certificate of Incorporation or any amendment thereto are granted subject to the aforementioned reservation.

SEVENTH: The Board of Directors shall have the power at any time, and from time to time, to adopt, amend and repeal any and all By-Laws of the Corporation.

EIGHTH: All persons who the Corporation is empowered to indemnify pursuant to the provisions of Section 145 of the General Corporation Law of the State of Delaware (or any similar provision or provisions

of applicable law at the time in effect), shall be indemnified by the Corporation to the full extent permitted thereby. The foregoing right of indemnification shall not be deemed to be exclusive of any other rights to which those seeking indemnification maybe entitled under any by-law, agreement, vote of stockholders or disinterested directors, or otherwise. No repeal or amendment of this Article EIGHTH shall adversely affect any rights of any person pursuant to this Article Eighth which existed at the time of such repeal or amendment with respect to acts or omissions occurring prior to such repeal or amendment.

NINTH: No director of the Corporation shall be personally liable to the Corporation or its stockholders for any monetary damages for breaches of fiduciary duty as a director, provided that this provisions shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under Section 174 of the General Corporation Law of the State of Delaware; or (iv) for any transaction from which the director derived an improper personal benefit. No repeal or amendment of this Article NINTH shall adversely affect any rights of any person pursuant to this

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Article NINTH which existed at the time of such repeal or amendment with respect to acts or omissions occurring prior to such repeal or amendment."

IN WITNESS WHEREOF, we have signed this Certificate this 22nd day of November, 1991.

/s/ Louis Centofanti
President

ATTEST:

/s/ Carol A. Dixon
Secretary

CERTIFICATE OF AMENDMENT
TO THE
RESTATED CERTIFICATE OF INCORPORATION
OF
NATIONAL ENVIRONMENTAL INDUSTRIES, LTD.

It is hereby certified that:

1. The name of the corporation (hereinafter called the "Corporation") is National Environmental Industries, Ltd.

2. The Restated Certificate of Incorporation is hereby amended by striking out Article FIRST thereof and by substituting in lieu of said Article FIRST the following new Article:

"FIRST: The name of the Corporation is Perma-Fix Environmental Services, Inc."

3. The amendment of the Certificate of Incorporation herein certified has been duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware. Prompt written notice of the adoption of the amendment herein certified has been given to those stockholders who have not consented in writing thereto, as provided in Section 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, we have signed this Certificate this 16th day of December, 1991.

/s/ Louis Centofanti
Louis Centofanti, President

ATTEST:

/s/ Mark Zwecker
Mark Zwecker, Secretary

TO
RESTATED CERTIFICATE OF INCORPORATION, AS AMENDED
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.

Perma-Fix Environmental Services, Inc., a Delaware corporation (the "Corporation"), does hereby certify:

That the amendment set forth below to the Corporation's Restated Certificate of Incorporation, as amended, was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware and written notice thereof has been given as provided in Section 228 thereof:

I) The first paragraph of Article FOURTH of the Corporation's Restated Certificate of Incorporation, as amended, is hereby deleted and replaced in its entirety by the following:

Fourth: The total number of shares of capital stock that the Corporation shall have authority to issue is 22,000,000 shares of which 20,000,000 shares of the par value of \$.001 per share shall be designated Common Stock ("Common Stock"), and 2,000,000 shares of the par value of \$.001 per share shall be designated Preferred Stock.

As of September 4, 1992 (the "Effective Time"), each share of Common Stock issued and outstanding immediately prior to the Effective Time shall automatically be changed and converted, without any action on the part of the holder thereof, into 1/3.0236956 of a share of Common Stock and, in connection with fractional interests in shares of Common Stock of the Corporation, each holder whose aggregate holdings of shares of Common stock prior to the Effective Time amounted to less than 3.0236956, or to a number not evenly divisible by 3.0236956 shares of Common Stock shall be

entitled to receive for such fractional interest, and at such time, any such fractional interest in shares of Common Stock of the Corporation shall be converted into the right to receive, upon surrender of the stock certificates formerly representing shares of Common Stock of the Corporation, one whole share of Common Stock.

IN WITNESS whereof, Perma-Fix Environmental Services, Inc. has caused this Certificate to be signed and attested to by its duly authorized officers as of this first day of September, 1992.

Perma-Fix Environmental Services, Inc.

By: /s/ Louis Centofanti
Dr. Louis F. Centofanti
President

ATTEST:

By: /s/ Mark Zwecker
Secretary

981311720

CERTIFICATE OF DESIGNATIONS
OF SERIES I CLASS A PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, said Board of Directors, acting by unanimous written consent in lieu of a meeting dated February 2, 1996, hereby adopted the terms of the Series I Class A Preferred Stock, which resolutions are set forth on the attached page.

Dated: February 2, 1996

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By /s/ Louis F. Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Mark A. Zwecker
Mark A. Zwecker, Secretary

**PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")**

RESOLUTION OF THE BOARD OF DIRECTORS

**FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE SERIES I CLASS A
PREFERRED STOCK**

WHEREAS,

- A. The Corporation's share capital includes Preferred Stock, par value \$.001 per share ("Preferred Stock"),
which Preferred Stock may be issued in one or more series with the directors of the Corporation (the
"Board") being entitled by resolution to fix the number of shares in each series and to designate the
rights, designations, preferences, and relative, participating, optional or other special rights, privileges,
restrictions and conditions attaching to the shares of each such series; and
- B. It is in the best interests of the Corporation for the Board to create a new series from the Preferred
Stock designated as the Series I Class A Preferred Stock, par value \$.001.

NOW, THEREFORE, BE IT RESOLVED, THAT:

The Series I Class A Preferred Stock, par value \$.001 (the "Series I Class A Preferred Stock") of the
Corporation shall consist of 1,100 shares and no more and shall be designated as the Series I Class A
Preferred Stock and in addition to the preferences, rights, privileges, restrictions and conditions
attaching to all the Series I Class A Preferred Stock as a series, the rights, privileges, restrictions
and conditions attaching to the Series I Class A Preferred Stock shall be as follows:

Part 1 - Voting and Preemptive Rights.

1.1 Except as otherwise provided herein, in the Certificate of Incorporation (the "Articles") or the General Corporation Law of the State of Delaware (the "GCL"), each holder of Series I Class A Preferred Stock, by virtue of his ownership thereof, shall be entitled to cast that number of votes per share thereof on each matter submitted to the Corporation's shareholders for voting which equals the number of votes which could be cast by such holder of the number of shares of the Corporation's Common Stock, par value \$.001 per share (the "Common Shares") into which such shares of Series I Class A Preferred Stock would be converted into pursuant to Part 5 hereof immediately prior to the record date of such vote. The outstanding Series I Class A Preferred Stock and the Common Shares of the Corporation shall vote together as a single class, except as otherwise expressly required by the GCL or Part 7 hereof. The Series I Class A Preferred Stock shall not have cumulative voting rights.

1.2 The Series I Class A Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

Part 2 - Liquidation Rights.

2.1 If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any Series I Class A Preferred Stock shall be outstanding, the holders of the then outstanding Series I Class A Preferred Stock shall have a preference in distribution of the Corporation's property available for distribution to the holders of the Common Shares equal to \$1,000 consideration per outstanding share of Series I Class A Preferred Stock, together with an amount equal to all unpaid dividends accrued thereon, if any, to the date of payment of such distribution, whether or not declared by the Board; provided, however, that the merger of the Corporation with any corporation or corporations in which the Corporation is not the survivor, or the sale or transfer by the Corporation of all or substantially all of its property, or any reduction by at least seventy percent (70%) of the then issued and outstanding Common Shares of the Corporation, shall be deemed to be a liquidation of the Corporation within the meaning of any of the provisions of this Part 2.

2.2 Subject to the provisions of Part 6 hereof, all amounts to be paid as preferential distributions to the holders of Series I Class A Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of Common Shares, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

Part 3 - Dividends.

3.1 Holders of record of Series I Class A Preferred Stock, out of funds legally available therefor and to the extent permitted by law, shall be entitled to receive dividends on their Series I Class A Preferred Stock, which dividends shall accrue at the rate per share of five percent (5%) per annum of consideration paid for each share of Series I Class A Preferred Stock (\$50.00 per share per year for each full year) commencing on the date of the issuance thereof, payable, at the option of the Corporation, (i) in cash, or (ii) by the issuance of that number of whole Common Shares computed by dividing the amount of the dividend by the market price applicable to such dividend.

3.2 For the purposes of this Part 3 and Part 4 hereof, "market price" means the average of the daily closing prices of Common Shares for a period of five (5) consecutive trading days ending on the date on which any dividend becomes payable or of any notice of redemption as the case may be. The closing price for each trading day shall be (i) for any period during which the Common Shares shall be listed for trading on a national securities exchange, the last reported bid price per share of Common Shares as reported by the primary stock exchange, or the Nasdaq Stock Market, if the Common Shares are quoted on the Nasdaq Stock Market, or (ii) if last sales price information is not available, the average closing bid price of Common Shares as reported

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by the Nasdaq Stock Market, or if not so listed or reported, then as reported by National Quotation Bureau, Incorporated, or (iii) in the event neither clause (i) nor (ii) is applicable, the average of the closing bid and asked prices as furnished by any member of the National Association of Securities Dealers, Inc., selected from time to time by the Corporation for that purpose.

3.3 Dividends on Series I Class A Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared and set aside for payment on the Common Shares until full cumulative dividends on all outstanding Series I Class A Preferred Stock shall have been paid or declared and set aside for payment.

3.4 Dividends shall be payable in arrears, at the rate of \$12.50 per share for each full calendar quarter on each February 28, May 31, August 31, and November 30 of each calendar year, to the holders of record of the Series I Class A Preferred Stock as they appear in the securities register of the Corporation on such record dates not more than sixty (60) nor less than ten (10) days preceding the payment date thereof, as shall be fixed by the Board; provided, however, that the initial dividend for the Series I Class A Preferred Stock shall accrue for the period commencing on the date of the issuance thereof to and including December 31, 1995.

3.5 If, in any quarter, insufficient funds are available to pay such dividends as are then due and payable with respect to the Series I Class A Preferred Stock and all other classes and series of the capital stock of the Corporation ranking in parity therewith (or such payment is otherwise prohibited by provisions of the GCL, such funds as are legally available to pay such dividends shall be paid or Common Shares will be issued as stock dividends to the holders of Series I Class A Preferred Stock and to the holders of any other series of Class A Preferred Stock then outstanding as provided in Part 6 hereof, in accordance with the rights of each such holder, and the balance of accrued but undeclared and/or unpaid dividends, if any, shall be declared and paid on the next succeeding dividend date to the extent that funds are then legally available for such purpose.

Part 4 - Redemption.

4.1 At any time, and from time to time, on and after one hundred twenty (120) days from the date of the issuance of any Series I Class A Preferred Stock, if the average of the closing bid prices for the Common Shares for five (5) consecutive trading days shall be in excess of \$1.50, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, the then outstanding Series I Class A Preferred Stock at a price per share of U. S. \$1,000 each (the "Redemption Price") (such price to be adjusted proportionately in the event of any change of the

Series I Class A Shares into a different number of Shares).

4.2 Thirty (30) days prior to any date stipulated by the Corporation for the redemption of Series I Class A Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series I Class A Preferred Stock. The Redemption Notice shall

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state: (i) the Redemption Date of such Shares, (ii) the number of Series I Class A Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated of a share certificate or share certificates representing the number of Series I Class A Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series I Class A Preferred Stock to be redeemed as provided in this Part 4, and the number of shares to be converted into Common Shares as provided in Part 5 hereof.

4.3 Upon receipt of the Redemption Notice, any Eligible Holder (as defined in Section 5.2 hereof) shall have the option, at its sole election, to specify what portion of its Series I Class A Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 4 or converted into Common Shares in the manner provided in Part 5 hereof, except that, notwithstanding any provision of such Part 5 to the contrary, any Eligible Holder shall have the right to convert into Common Shares that number of Series I Class A Preferred Stock called for redemption in the Redemption Notice.

4.4 On or before the Redemption Date in respect of any Series I Class A Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 5.5 hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall be canceled and retired. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series I Class A Shares which are not being redeemed to be registered in the names of the persons whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

4.5 On the Redemption Date in respect of any Series I Class A Shares or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least U. S. \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all such shares called from redemption (less the aggregate Redemption Price for those Series I Class A Shares in respect of which the Corporation has received notice from the Eligible Holder thereof of its election to convert Series I Class A Shares in to Common Shares), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed share shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with

respect thereto except the rights to receive from the bank or trust company payments of the Redemption price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares

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called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

Part 5 - Conversion.

5.1 For the purposes of conversion of the Series I Class A Preferred Stock shall be valued at \$1,000 per share ("Value"), and, if converted, the Series I Class A Preferred Stock shall be converted into such number of Common Shares (the "Conversion Shares") as is obtained by dividing the aggregate Value of the shares of Series I Class A Preferred Stock being so converted, together with all accrued but unpaid dividends thereon, by the "Average Stock Price" per share of the Conversion Shares (the "Conversion Price"), subject to adjustment pursuant to the provisions of this Part 5. For purposes of this Part 5, the "Average Stock Price" means the lesser of (x) seventy percent (70%) of the average daily closing bid prices of the Common Shares for the period of five (5) consecutive trading days immediately preceding the date of subscription by the Holder or (y) seventy percent (70%) of the daily average closing bid prices of Common Shares for the period of five (5) consecutive trading days immediately preceding the date of the conversion of the Series I Class A Preferred Stock in respect of which such Average Stock Price is determined. The closing price for each trading day shall be determined as provided in the last sentence of Section 3.2.

5.2 Any holder of Series I Class A Preferred Stock (an "Eligible Holder") may at any time commencing forty-five (45) days after the issuance of any Series I Class A Preferred Stock convert up to one hundred percent (100%) of his holdings of Series I Class A Preferred Stock in accordance with this Part 5.

5.3 The conversion right granted by Section 5.2 hereof may be exercised only by an Eligible Holder of Series I Class A Preferred Stock, in whole or in part, by the surrender of the share certificate or share certificates representing the Series I Class A Preferred Stock to be converted at the principal office of the Corporation (or at such other place as the Corporation may designate in a written notice sent to the holder by first class mail, postage prepaid, at its address shown on the books of the Corporation) against delivery of that number of whole Common Shares as shall be computed by dividing (1) the aggregate Value of the Series I Class A Preferred Stock so surrendered for conversion plus any accrued but unpaid dividends thereon, if any, by (2) the Conversion Price in effect at the date of the conversion. At the time of conversion of a share of the Series I Class A Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, issue that number of whole Common Shares which is equal to the product of dividing the amount of such unpaid dividends by the Average Stock Price whether or not declared by the Board. Each Series I Class A Preferred Stock share certificate surrendered for conversion shall be endorsed by its holder. In the event of any exercise of the conversion right of the Series I Class A Preferred Stock granted herein (i) share certificate representing the Common

Shares purchased by virtue of such exercise shall be delivered to such holder within three (3) days of notice of conversion, and (ii) unless the Series I Class A Preferred Stock has been fully converted, a new share certificate representing the Series I Class A Preferred Stock not so converted, if any, shall also be delivered to

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such holder within three (3) days of notice of conversion. Any Eligible Holder may exercise its right to convert the Series I Class A Preferred Stock by telecopying an executed and completed Notice of Conversion to the Corporation, and within seventy-two (72) hours thereafter, delivering the original Notice of Conversion and the certificate representing the Series I Class A Preferred Stock to the Corporation by express courier. Each date on which a Notice of Conversion is telecopied to and received by the Corporation in accordance with the provisions hereof shall be deemed a conversion date. The Corporation will transmit the Common Shares certificates issuable upon conversion of any Series I Class A Preferred Stock (together with the certificates representing the Series I Class A Preferred Stock not so converted) to the Eligible Holder via express courier within three (3) business days after the conversion date if the Corporation has received the original Notice of Conversion and the Series I Class A Shares certificates being so converted by such date.

5.4 All Common Shares which may be issued upon conversion of Series I Class A Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof. At all times that any Series I Class A Preferred Stock is outstanding, the Corporation shall have authorized, and shall have reserved for the purpose of issuance upon such conversion, a sufficient number of Common Shares to provide for the conversion into Common Shares of all Series I Class A Preferred Stock then outstanding at the then effective Conversion Price. Without limiting the generality of the foregoing, if, at any time, the Conversion Price is decreased, the number of Common Shares authorized and reserved for issuance upon the conversion of the Series I Class A Preferred Stock shall be proportionately increased.

5.5 The number of Common Shares issued upon conversion of Series I Class A Preferred Stock and the Conversion Price shall be subject to adjustment from time to time upon the happening of certain events, as follows:

5.5.1 Change of Designation of the Common Shares or the rights, privileges, restrictions and conditions

in respect of the Common Shares or division of the Common Shares into series. In the case of any

amendment to the Articles to change the designation of the Common Shares or the rights, privileges,

restrictions or conditions in respect of the Common Shares or division of the Common Shares into series

the rights of the holders of the Series I Class A Preferred Stock shall be adjusted so as to provide that

upon conversion thereof, the holder of the Series I Class A Preferred Stock being converted shall procure,

in lieu of each Common Share theretofore issuable upon such conversion, the kind and

amount of shares,
other securities, money and property receivable upon such designation, change or division by the holder of
one Common Share issuable upon such conversion had conversion occurred immediately prior to such
designation, change or division. The Series I Class A Preferred Stock shall be deemed thereafter to
provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments

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provided for in this Part 5. The provisions of this subsection 5.5.1 shall apply in the same manner to
successive reclassifications, changes, consolidations, and mergers.

5.5.2 If the Corporation, at any time while any of the Series I Class A Preferred Stock is outstanding,
shall amend the Articles so as to change the Common Shares into a different number of shares, the
Conversion Price shall be proportionately reduced, in case of such change increasing the number
of Common Shares, as of the effective date of such increase, or if the Corporation shall take a record
of holders of its Common Shares for the purpose of such increase, as of such record date, whichever
is earlier, or the Conversion Price shall be proportionately increased, in the case of such change
decreasing the number of Common Shares, as of the effective date of such decrease or, if the Corporation shall take a record of holders of its Common Stock for the purpose of such decrease,
as of such record date, whichever is earlier.

5.5.3 If the Corporation, at any time while any of the Series I Class A Preferred Stock is outstanding,
shall pay a dividend payable in Common Shares (except for any dividends of Common Shares
payable pursuant to Part 3 hereof), the Conversion Price shall be adjusted, as of the date the Corporation shall take a record of the holders of its Common Shares for the purposes of receiving
such dividend (or if no such record is taken, as of the date of payment of such dividend), to that
price determined by multiplying the Conversion Price therefor in effect by a fraction (1) the numerator
of which shall be the total number of Common Shares outstanding immediately prior to such dividend,
and (2) the denominator of which shall be the total number of Common Shares outstanding

immediately after such dividend (plus in the event that the Corporation paid cash for fractional shares,
the number of additional shares which would have been outstanding had the Corporation issued
fractional shares in connection with said dividend).

5.6 Whenever the Conversion Price shall be adjusted pursuant to Section 5.5 hereof, the Corporation shall make a certificate signed by its President, or a Vice President and by its Treasurer, Assistant Treasurer, Secretary or Assistant Secretary, setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated (including a description of the basis on which the Board of Directors made any determination hereunder), and the Conversion Price after giving effect to such adjustment, and shall cause copies of such certificates to be mailed (by first class mail, postage prepaid) to each holder of the Series I Class A Preferred Stock at its address shown on the books of the Corporation. The Corporation shall make such certificate and mail it to each such holder promptly after each adjustment.

5.7 No fractional Common Shares shall be issued in connection with any conversion of Series I Class A Preferred Stock, but in lieu of such fractional shares, the Corporation shall make a cash payment therefor equal in amount to the product of the applicable fraction multiplied by the Conversion Price then in effect.

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5.8 No Series I Class A Preferred Stock which has been converted into Common Shares shall be reissued by the Corporation; provided, however, that each such share shall be restored to the status of authorized but unissued Preferred Stock without designation as to series and may thereafter be issued as a series of Preferred Stock not designated as Series I Class A Preferred Stock.

Part 6 - Parity with Other Shares of Class A Preferred Shares.

6.1 If any cumulative dividends or accounts payable or return of capital in respect of Series I Class A Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

Part 7 - Amendment.

7.1 In addition to any requirement for a series vote pursuant to the GCL in respect of any amendment to the Corporation's Certificate of Incorporation that adversely affects the rights, privileges, restrictions and conditions of the Series I Class A Preferred Stock, the rights, privileges, restrictions and conditions attaching to the Series I Class A Preferred Stock may be amended by an amendment to the Corporation's Certificate of Incorporation so as to affect such adversely only if the Corporation has obtained the affirmative vote at a duly called and held series meeting of the holders of the Series I Class A Preferred Stock or written consent by the holders of a majority of the Series I Class A Preferred Stock then outstanding. Notwithstanding the above, the number of authorized shares of such class or classes of stock may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting as a single

class, irrespective of this Section 7.1.

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CERTIFICATE OF DESIGNATIONS
OF SERIES 2 CLASS B CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 2 Class B Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 2 Class B Convertible Preferred Stock as set forth in the attached resolutions.

Dated: February 16, 1996

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By /s/ Louis F. Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Mark A. Zwecker
Mark A. Zwecker, Secretary

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")

RESOLUTION OF THE BOARD OF DIRECTORS

**FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 2 CLASS B CONVERTIBLE PREFERRED STOCK**

WHEREAS,

A. The Corporation's share capital includes Preferred Stock, par value \$.001 per share ("Preferred Stock"),
which Preferred Stock may be issued in one or more series with the directors of the Corporation (the
"Board") being entitled by resolution to fix the number of shares in each series and to designate the
rights, designations, preferences, and relative, participating, optional or other special rights, privileges,
restrictions and conditions attaching to the shares of each such series; and

B. It is in the best interests of the Corporation for the Board to create a new series from the Preferred
Stock designated as the Series 2 Class B Convertible Preferred Stock, par value \$.001.

NOW, THEREFORE, BE IT RESOLVED, THAT:

The Series 2 Class B Convertible Preferred Stock, par value \$.001 (the "Series 2 Class B Preferred
Stock") of the Corporation shall consist of 2,500 shares and no more and shall be designated as the
Series 2 Class B Preferred Stock and in addition to the preferences, rights, privileges, restrictions
and conditions attaching to all the Series 2 Class B Preferred Stock as a series, the rights, privileges, restrictions and conditions attaching to the Series 2 Class B Preferred Stock shall be
as follows:

Part 1 - Voting and Preemptive Rights.

1.1 Except as otherwise provided herein, in the Corporation's Certificate of Incorporation (the "Articles") or the General Corporation Law of the State of Delaware (the "GCL"), each holder of Series 2 Class B Preferred Stock, by virtue of his ownership thereof, shall be entitled to cast that number of votes per share thereof on each matter submitted to the Corporation's shareholders for voting which equals the number of votes which could be cast by such holder of the number of shares of the Corporation's Common Stock, par value \$.001 per share (the "Common Shares") into which such shares of Series 2 Class B Preferred Stock would be entitled to be converted into pursuant to Part 5 hereof on the record date of such vote. The outstanding Series 2 Class B Preferred Stock, the Common Shares of the Corporation and any other series of Preferred Stock of the Corporation having voting rights shall vote together as a single class, except as otherwise expressly required by the GCL or Part 7 hereof. The Series 2 Class B Preferred Stock shall not have cumulative voting rights.

1.2 The Series 2 Class B Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

Part 2 - Liquidation Rights.

2.1 If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any Series 2 Class B Preferred Stock shall be outstanding, the holders of the then outstanding Series 2 Class B Preferred Stock shall have a preference in distribution of the Corporation's property available for distribution to the holders of the Common Shares equal to \$1,000 consideration per outstanding share of Series 2 Class B Preferred Stock, together with an amount equal to all unpaid dividends accrued thereon, if any, to the date of payment of such distribution, whether or not declared by the Board; provided, however, that the merger of the Corporation with any corporation or corporations in which the Corporation is not the survivor, or the sale or transfer by the Corporation of all or substantially all of its property, or a reduction by at least seventy percent (70%) of the then issued and outstanding Common Shares of the Corporation, shall be deemed to be a liquidation of the Corporation within the meaning of any of the provisions of this Part 2.

2.2 Subject to the provisions of Part 6 hereof, all amounts to be paid as preferential distributions to the holders of Series 2 Class B Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of Common Shares, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

2.3 After the payment to the holders of the shares of the Series 2 Class B Preferred Stock of the full preferential amounts provided for in this Part 2, the holders of the Series 2 Class B Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

2.4 In the event that the assets of the Corporation available for distribution to the holders of shares of the Series 2 Class B Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to this Part 2, no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series 2 Class B Preferred Stock upon such dissolution, liquidation or winding up.

unless proportionate distributive amounts shall be paid on account of the shares of this Series 2 Class B Preferred Stock and shares of such other class or series ranking on a parity with the shares of this Series 2 Class B Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

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Part 3 - Dividends.

3.1 Holders of record of Series 2 Class B Preferred Stock, out of funds legally available therefor and to the extent permitted by law, shall be entitled to receive dividends on their Series 2 Class B Preferred Stock, which dividends shall accrue at the rate per share of five percent (5%) per annum of consideration paid for each share of Series 2 Class B Preferred Stock (\$50.00 per share per year for each full year) commencing on the date of the issuance thereof, payable, at the option of the Corporation, (i) in cash, or (ii) by the issuance of that number of whole Common Shares computed by dividing the amount of the dividend by the market price applicable to such dividend.

3.2 For the purposes of this Part 3 and Part 4 hereof, "market price" means the average of the daily closing prices of Common Shares for a period of five (5) consecutive trading days ending on the date on which any dividend becomes payable or of any notice of redemption as the case may be. The closing price for each trading day shall be (i) for any period during which the Common Shares shall be listed for trading on a national securities exchange, the last reported bid price per share of Common Shares as reported by the primary stock exchange, or the Nasdaq Stock Market, if the Common Shares are quoted on the Nasdaq Stock Market, or (ii) if last sales price information is not available, the average closing bid price of Common Shares as reported by the Nasdaq Stock Market, or if not so listed or reported, then as reported by National Quotation Bureau, Incorporated, or (iii) in the event neither clause (i) nor (ii) is applicable, the average of the closing bid and asked prices as furnished by any member of the National Association of Securities Dealers, Inc., selected from time to time by the Corporation for that purpose.

3.3 Dividends on Series 2 Class B Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared and set aside for payment on the Common Shares until full cumulative dividends on all outstanding Series 2 Class B Preferred Stock shall have been paid or declared and set aside for payment.

3.4 Dividends shall be payable in arrears, at the rate of \$12.50 per share for each full calendar quarter on each February 28, May 31, August 31, and November 30 of each calendar year, to the holders of record of the Series 2 Class B Preferred Stock as they appear in the securities register of the Corporation on such record dates not more than sixty (60) nor less than ten (10) days preceding the payment date thereof, as shall be fixed by the Board; provided, however, that the initial dividend for the Series 2 Class B Preferred Stock shall accrue for the period commencing on the date of the issuance thereof.

3.5 If, in any quarter, insufficient funds are available to pay such dividends as are then due and payable with respect to the Series 2 Class B Preferred Stock and all other classes and series of the capital stock of the Corporation ranking in parity therewith (or such payment is otherwise

prohibited by provisions of the GCL, such funds as are legally available to pay such dividends shall be paid or Common Shares will be issued as stock dividends to the holders of Series 2 Class B Preferred Stock and to the holders of any other series of

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Class B Preferred Stock then outstanding as provided in Part 6 hereof, in accordance with the rights of each such holder, and the balance of accrued but undeclared and/or unpaid dividends, if any, shall be declared and paid on the next succeeding dividend date to the extent that funds are then legally available for such purpose.

Part 4 - Redemption.

4.1 At any time, and from time to time, on and after one hundred twenty (120) days from the date of the issuance of any Series 2 Class B Preferred Stock, if the average of the closing bid prices for the Common Shares for five (5) consecutive trading days shall be in excess of \$1.50 per share, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, the then outstanding Series 2 Class B Preferred Stock at a price per share of U. S. \$1,000 each (the "Redemption Price") (such price to be adjusted proportionately in the event of any change of the Series 2 Class B Preferred Stock into a different number of shares of Series 2 Class B Preferred Stock).

4.2 Thirty (30) days prior to any date stipulated by the Corporation for the redemption of Series 2 Class B Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 2 Class B Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 2 Class B Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated of a share certificate or share certificates representing the number of Series 2 Class B Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series 2 Class B Preferred Stock to be redeemed as provided in this Part 4, and the number of shares to be converted into Common Shares as provided in Part 5 hereof.

4.3 Upon receipt of the Redemption Notice, any Eligible Holder (as defined in Section 5.2 hereof) shall have the option, at its sole election, to specify what portion of its Series 2 Class B Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 4 or converted into Common Shares in the manner provided in Part 5 hereof, except that, notwithstanding any provision of such Part 5 to the contrary, any Eligible Holder shall have the right to convert into Common Shares that number of Series 2 Class B Preferred Stock called for redemption in the Redemption Notice.

4.4 On or before the Redemption Date in respect of any Series 2 Class B Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 4.5 hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall

be canceled and retired. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 2

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Class B Preferred Stock which are not being redeemed to be registered in the names of the persons whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

4.5 On the Redemption Date in respect of any Series 2 Class B Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least U. S. \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all such shares called from redemption (less the aggregate Redemption Price for those Series 2 Class B Preferred Stock in respect of which the Corporation has received notice from the Eligible Holder thereof of its election to convert Series 2 Class B Preferred Stock in to Common Shares), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed share shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the Redemption price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

Part 5 - Conversion.

5.1 For the purposes of conversion of the Series 2 Class B Preferred Stock shall be valued at \$1,000 per share ("Value"), and, if converted, the Series 2 Class B Preferred Stock shall be converted into such number of Common Shares (the "Conversion Shares") as is obtained by dividing the aggregate Value of the shares of Series 2 Class B Preferred Stock being so converted, together with all accrued but unpaid dividends thereon, by the "Average Stock Price" per share of the Conversion Shares (the "Conversion Price"), subject to adjustment pursuant to the provisions of this Part 5. For purposes of this Part 5, the "Average Stock Price" means the lesser of (x) seventy percent (70%) of the average daily closing bid prices of the Common Shares for a period of five (5) consecutive trading days immediately preceding the date of subscription by the Holder or (y) seventy percent (70%) of the average daily closing bid prices of Common Shares for the period of five (5) consecutive trading days immediately preceding the date of the conversion of the Series 2 Class B Preferred Stock in respect of which such Average Stock Price is determined. The closing price for each trading day shall be determined as provided in the last sentence of Section 3.2.

5.2 Any holder of Series 2 Class B Preferred Stock (an "Eligible Holder") may at any time commencing forty-five (45) days after the issuance of any Series 2 Class B Preferred Stock convert up to one hundred percent (100%) of his holdings of Series 2 Class B Preferred Stock in accordance with this Part 5.

5.3 The conversion right granted by Section 5.2 hereof may be exercised only by an Eligible Holder of Series 2 Class B Preferred Stock, in whole or in part, by the surrender of the share certificate or share certificates representing the Series 2 Class B Preferred Stock to be converted at the principal office of the Corporation (or at such other place as the Corporation may designate in a written notice sent to the holder by first class mail, postage prepaid, at its address shown on the books of the Corporation) against delivery of that number of whole Common Shares as shall be computed by dividing (1) the aggregate Value of the Series 2 Class B Preferred Stock so surrendered for conversion plus any accrued but unpaid dividends thereon, if any, by (2) the Conversion Price in effect at the date of the conversion. At the time of conversion of a share of the Series 2 Class B Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, issue that number of whole Common Shares which is equal to the product of dividing the amount of such unpaid dividends by the Average Stock Price whether or not declared by the Board. Each Series 2 Class B Preferred Stock share certificate surrendered for conversion shall be endorsed by its holder. In the event of any exercise of the conversion right of the Series 2 Class B Preferred Stock granted herein (i) share certificate representing the Common Shares purchased by virtue of such exercise shall be delivered to such holder within three (3) days of notice of conversion, and (ii) unless the Series 2 Class B Preferred Stock has been fully converted, a new share certificate representing the Series 2 Class B Preferred Stock not so converted, if any, shall also be delivered to such holder within three (3) days of notice of conversion. Any Eligible Holder may exercise its right to convert the Series 2 Class B Preferred Stock by telecopying an executed and completed Notice of Conversion to the Corporation, and within seventy-two (72) hours thereafter, delivering the original Notice of Conversion and the certificate representing the Series 2 Class B Preferred Stock to the Corporation by express courier. Each date on which a Notice of Conversion is telecopied to and received by the Corporation in accordance with the provisions hereof shall be deemed a conversion date. The Corporation will transmit the Common Shares certificates issuable upon conversion of any Series 2 Class B Preferred Stock (together with the certificates representing the Series 2 Class B Preferred Stock not so converted) to the Eligible Holder via express courier within three (3) business days after the conversion date if the Corporation has received the original Notice of Conversion and the Series 2 Class B Shares certificates being so converted by such date.

5.4 All Common Shares which may be issued upon conversion of Series 2 Class B Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof. At all times that any Series 2 Class B Preferred Stock is outstanding, the Corporation shall have authorized, and shall have reserved for the purpose of issuance upon such conversion, a sufficient number of Common Shares to provide for the conversion into Common Shares of all Series 2 Class B Preferred Stock then outstanding at the then effective Conversion Price. Without limiting the generality of the foregoing, if, at any time, the Conversion Price is decreased, the number of Common Shares authorized and reserved for issuance upon the conversion of the Series 2 Class B Preferred Stock shall be proportionately increased.

5.5 The number of Common Shares issued upon conversion of Series 2 Class B Preferred Stock and the Conversion Price shall be subject to adjustment from time to time upon the happening of certain events, as follows:

5.5.1 In the case of any amendment to the Articles to change the designation of the Common Shares

or the rights, privileges, restrictions or conditions in respect of the Common Shares or division of the

Common Shares into series the rights of the holders of the Series 2 Class B Preferred Stock shall be

adjusted so as to provide that upon conversion thereof, the holder of the Series 2 Class B Preferred

Stock being converted shall procure, in lieu of each Common Share theretofore issuable upon such

conversion, the kind and amount of shares, other securities, money and property receivable upon such

designation, change or division by the holder of one Common Share issuable upon such conversion

had conversion occurred immediately prior to such designation, change or division. The Series 2

Class B Preferred Stock shall be deemed thereafter to provide for adjustments which shall be as

nearly equivalent as may be practicable to the adjustments provided for in this Part 5. The provisions

of this subsection 5.5.1 shall apply in the same manner to successive reclassifications, changes,

consolidations, and mergers.

5.5.2 If the Corporation, at any time while any of the Series 2 Class B Preferred Stock is outstanding,

shall amend the Articles so as to change the Common Shares into a different number of shares, the

Conversion Price shall be proportionately reduced, in case of such change increasing the number of

Common Shares, as of the effective date of such increase, or if the Corporation shall take a record of

holders of its Common Shares for the purpose of such increase, as of such record date, whichever is

earlier, or the Conversion Price shall be proportionately increased, in the case of such change

decreasing the number of Common Shares, as of the effective date of such decrease or, if the Corporation shall take a record of holders of its Common Stock for the purpose of such decrease,

as of such record date, whichever is earlier.

5.5.3 If the Corporation, at any time while any of the Series 2 Class B Preferred Stock is outstanding,

shall pay a dividend payable in Common Shares (except for any dividends of Common Shares

payable pursuant to Part 3 hereof), the Conversion Price shall be adjusted, as of the date the Corporation shall take a record of the holders of its Common Shares for the purposes of receiving such dividend (or if no such record is taken, as of the date of payment of such dividend), to that price determined by multiplying the Conversion Price therefor in effect by a fraction (1) the numerator of which shall be the total number of Common Shares outstanding immediately prior to such dividend, and (2) the denominator of which shall be the total number of Common Shares outstanding immediately after such dividend (plus in the event that the Corporation paid cash for fractional shares, the number of additional shares which would have been outstanding had the Corporation issued fractional shares in connection with said dividend).

5.6 Whenever the Conversion Price shall be adjusted pursuant to Section 5.5 hereof, the Corporation shall make a certificate signed by its President, or a Vice President and by its Treasurer, Assistant Treasurer,

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Secretary or Assistant Secretary, setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated (including a description of the basis on which the Board of Directors made any determination hereunder), and the Conversion Price after giving effect to such adjustment, and shall cause copies of such certificates to be mailed (by first class mail, postage prepaid) to each holder of the Series 2 Class B Preferred Stock at its address shown on the books of the Corporation. The Corporation shall make such certificate and mail it to each such holder promptly after each adjustment.

5.7 No fractional Common Shares shall be issued in connection with any conversion of Series 2 Class B Preferred Stock, but in lieu of such fractional shares, the Corporation shall make a cash payment therefor equal in amount to the product of the applicable fraction multiplied by the Conversion Price then in effect.

5.8 No Series 2 Class B Preferred Stock which has been converted into Common Shares shall be reissued by the Corporation; provided, however, that each such share shall be restored to the status of authorized but unissued Preferred Stock without designation as to series and may thereafter be issued as a series of Preferred Stock not designated as Series 2 Class B Preferred Stock.

Part 6 - Parity with Other Shares of Series 2 Class B Preferred Stock and Priority.

6.1 If any cumulative dividends or accounts payable or return of capital in respect of Series 2 Class B Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

6.2 For purposes of this resolution, any stock of any class or series of the Corporation shall be deemed to rank:

6.2.1 Prior or senior to the shares of this Series 2 Class B Preferred Stock either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of this Series 2 Class B Preferred Stock;

6.2.2 On a parity with, or equal to, shares of this Series 2 Class B Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share or sinking fund provisions, if any, are different from those of this Series 2 Class B Preferred Stock, if the holders of such stock are entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and

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over the other, as between the holders of such stock and the holders of shares of this Series 2 Class B Preferred Stock; and,

6.2.3 Junior to shares of this Series 2 Class B Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Shares or if the holders of shares of this Series 2 Class B Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or series.

Part 7 - Amendment.

7.1 In addition to any requirement for a series vote pursuant to the GCL in respect of any amendment to the Articles that adversely affects the rights, privileges, restrictions and conditions of the Series 2 Class B Preferred Stock, the rights, privileges, restrictions and conditions attaching to the Series 2 Class B Preferred Stock may be amended by an amendment to the Corporation's Certificate of Incorporation so as to affect such adversely only if the Corporation has obtained the affirmative vote at a duly called and held series meeting of the holders of the Series 2 Class B Preferred Stock or written consent by the holders of a majority of the Series 2

Class B Preferred Stock then outstanding. Notwithstanding the above, the number of authorized shares of such class or classes of stock may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of this Section 7.1.

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**CERTIFICATE OF DESIGNATIONS
OF SERIES 3 CLASS C CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 3 Class C Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 3 Class C Convertible Preferred Stock as set forth in the attached resolutions.

Dated: July 17, 1996

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By /s/ Louis F. Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecy
Richard T. Kelecy, Secretary

**PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")**

RESOLUTION OF THE BOARD OF DIRECTORS

**FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 3 CLASS C CONVERTIBLE PREFERRED STOCK**

WHEREAS,

A. The Corporation's share capital includes Preferred Stock, par value \$.001 per share ("Preferred Stock"), which Preferred Stock may be issued in one or more series by the Board of Directors of the Corporation (the "Board") being entitled by resolution to fix the number of shares in each series and to designate the rights, designations, preferences, and relative, participating, optional or other special rights, privileges, restrictions and conditions attaching to the shares of each such series; and

B. It is in the best interests of the Corporation for the Board to create a new series from the Preferred Stock designated as the Series 3 Class C Convertible Preferred Stock, par value \$.001.

NOW, THEREFORE, BE IT RESOLVED, THAT:

The Series 3 Class C Convertible Preferred Stock, par value \$.001 (the "Series 3 Class C Preferred Stock") of the Corporation shall consist of 5,500 shares and no more and shall be designated as the Series 3 Class C Convertible Preferred Stock, and the preferences, rights, privileges, restrictions and conditions attaching to the Series 3 Class C Preferred Stock shall be as follows:

Part 1 - Voting and Preemptive Rights.

1.1 **Voting Rights.** Except as otherwise provided herein, in the Corporation's Certificate of Incorporation (the "Articles") or the General Corporation Law of the State of Delaware (the "GCL"), the holders of the Series 3 Class C Preferred Stock shall have no voting rights

whatsoever. To the extent that under the GCL the vote of the holders of the Series 3 Class C Preferred Stock, voting separately as a class or series as applicable, is required to authorize a given action of the Corporation, the affirmative vote or consent of the holders of at least a majority of the shares of the Series 3 Class C Preferred Stock represented at a duly held meeting at which a quorum is present or by written consent of a majority of the shares of Series 3 Class C Preferred Stock (except as otherwise may be required under the GCL) shall constitute the approval of such action by the series. To the extent that under the GCL the holders of the Series 3 Class C Preferred Stock are entitled to vote on a matter with holders of Corporation's Common Stock and/or any other class or series of the Corporation's voting securities, the Series 3 Class C Preferred Stock, the Corporation's Common Stock and all other classes

or series of the Corporation's voting securities shall vote together as one class, with each share of Series 3 Class C Preferred Stock entitled to a number of votes equal to the number of shares of the Corporation's Common Stock into which it is then convertible using the record date for the taking of such vote of stockholders as the date as of which the Conversion Price (as defined in Section 4.2 hereof) is calculated and conversion is effected. Holders of the Series 3 Class C Preferred Stock shall be entitled to notice of (and copies of proxy materials and other information sent to stockholders) for all shareholder meetings or written consents with respect to which they would be entitled to vote, which notice would be provided pursuant to the Corporation's bylaws and applicable statutes.

1.2 **No Preemptive Rights.** The Series 3 Class C Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

Part 2 - Liquidation Rights.

2.1 **Liquidation.** If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any shares of the Series 3 Class C Preferred Stock shall be outstanding, the holders of the then outstanding Series 3 Class C Preferred Stock shall have a preference in distribution of the Corporation's property available for distribution to the holders of the Corporation's Common Stock equal to \$1,000 consideration per outstanding share of Series 3 Class C Preferred Stock, plus an amount equal to all unpaid dividends accrued thereon to the date of payment of such distribution ("Liquidation Preference"), whether or not declared by the Board.

2.2 **Payment of Liquidation Preferences.** Subject to the provisions of Part 6 hereof, all amounts to be paid as Liquidation Preference to the holders of Series 3 Class C Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of the Corporation's Common Stock, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

2.3 **No Rights After Payment.** After the payment to the holders of the shares of the Series 3 Class C Preferred Stock of the full Liquidation Preference amounts provided for in this Part 2, the holders of the Series 3 Class C Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

2.4 Assets Insufficient to Pay Full Liquidation Preference. In the event that the assets of the Corporation available for distribution to the holders of shares of the Series 3 Class C Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to this Part 2, no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series 3 Class C Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series 3 Class C Preferred Stock and shares of such other class or series ranking on a parity with the shares of this Series 3 Class C Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

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Part 3 - Dividends.

3.1 The holders of the Series 3 Class C Preferred Stock are entitled to receive if, when and as declared by the Board out of funds legally available therefor, cumulative dividends, payable in cash or Common Stock of the Corporation, par value \$.001 per share (the "Common Stock"), at the Corporation's election, at the rate of six percent (6%) per annum of the Liquidation Value of the Series 3 Class C Preferred Stock. The Liquidation Value of the Series 3 Class C Preferred Stock shall be \$1,000.00 per share (the "Dividend Rate"). The dividend is payable semi-annually within seven (7) business days after each of December 31 and June 30 of each year, commencing December 31, 1996 (each, a "Dividend Declaration Date"). Dividends shall be paid only with respect to shares of Series 3 Class C Preferred Stock actually issued and outstanding on a Dividend Declaration Date and to holders of record as of the Dividend Declaration Date. Dividends shall accrue from the first day of the semi-annual period in which such dividend may be payable, except with respect to the first semi-annual dividend which shall accrue from the date of issuance of the Series 3 Class C Preferred Stock. In the event that the Corporation elects to pay dividends in Common Stock of the Corporation, each holder of the Series 3 Class C Preferred Stock shall receive shares of Common Stock of the Corporation equal to the quotient of (i) the Dividend Rate in effect on the applicable Dividend Declaration Date dividend by (ii) the average of the closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"). Dividends on the Series 3 Class C Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Common Stock until all accrued and unpaid dividends on all outstanding shares of Series 3 Class C Preferred Stock shall have been paid or declared and set aside for payment.

Part 4 - Conversion. The holders of the Series 3 Class C Preferred Stock shall have rights to convert the shares of Series 3 Class C Preferred Stock into shares of the Corporation's Common Stock, par value \$.001 per share ("Common Stock"), as follows (the "Conversion Rights"):

4.1 **Right to Convert.** The Series 3 Class C Preferred Stock shall be convertible into shares of Common Stock, as follows:

4.1.1 Up to one thousand eight hundred thirty-three (1,833) shares of Series 3 Class C

Preferred

Stock may be converted at the Conversion Price (as that term is defined in Section 4.2 below)

at any time on or after October 1, 1996;

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4.1.2 Up to one thousand eight hundred thirty-three (1,833) shares of Series 3 Class C Preferred

Stock may be converted at the Conversion Price at any time on or after November 1, 1996; and,

4.1.3 Up to one thousand eight hundred thirty-four (1,834) shares of Series 3 Class C Preferred

Stock may be converted at the Conversion Price on or after December 1, 1996.

4.2 Conversion Price. As used herein, the term Conversion Price shall be the product of (i) the average closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days immediately preceding the date of the Conversion Notice referred to in Section 4.3 below multiplied by (ii) seventy-five percent (75%). Notwithstanding the foregoing, the Conversion Price shall not be (i) less than a minimum of \$.75 per share ("Minimum Conversion Price") or (ii) more than a maximum of \$1.50 per share ("Maximum Conversion Price"). If, after July 1, 1996, the Corporation sustains a net loss, on a consolidated basis, in each of two (2) consecutive quarters, as determined under generally accepted accounting principles, the Minimum Conversion Price shall be reduced \$.25 a share, but there shall be no change to, or reduction of, the Maximum Conversion Price. For the purpose of determining whether the Corporation has had a net loss in each of two (2) consecutive quarters, at no time shall a quarter that has already been considered in such determination be considered in any subsequent determination (as an example the third quarter of 1996 in which there is a net profit and the fourth quarter of 1996 in which there is a net loss shall be considered as two consecutive quarters, and, as a result, the fourth quarter of 1996 shall not be considered along with the first quarter of 1997 as two (2) consecutive quarters, but the first quarter of 1997 must be considered with the second quarter of 1997 for the purposes of such determination). For the purposes of this Section 4.2, a "quarter" is a three (3) month period ending on March 31, June 30, September 30, and December 31. If any of the outstanding shares of Series 3 Class C Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Part 4, the number of shares of whole Common Stock to be issued to the holder as a result of such conversion shall be determined by dividing (a) the aggregate Liquidation Value of the Series 3 Class C Preferred Stock so surrendered for conversion by (b) the Conversion Price in effect at the date of the conversion. At the time of conversion of shares of the Series 3 Class C Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of shares of whole Common Stock which is equal to the product of dividing the amount of such unpaid and accrued dividends to the date of conversion on the shares of Series 3 Class C Preferred Stock so converted by the Conversion Price in effect at the date of conversion.

4.3 Mechanics of Conversion. Any holder of the Series 3 Class C Preferred Stock who wishes to exercise its Conversion Rights pursuant to Section 4.1 of this Part 4 must, if such shares are not being held in escrow by the Corporation's attorneys, surrender the certificate therefor at the principal executive office of the

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Corporation, and give written notice, which may be via facsimile transmission, to the Corporation at such office that it elects to convert the same (the "Conversion Notice"). In the event that the shares of Series 3 Class C Preferred Stock are being held in escrow by the Corporation's attorneys, no delivery of the certificates shall be required. No Conversion Notice with respect to any shares of Series 3 Class C Preferred Stock can be given prior to the time such shares of Series 3 Class C Preferred Stock are eligible for conversion in accordance with the provision of Section 4.1 above. Any such premature Conversion Notice shall automatically be null and void. The Corporation shall, within five (5) business days after receipt of an appropriate and timely Conversion Notice (and certificate, if necessary), issue to such holder of Series 3 Class C Preferred Stock or its agent a certificate for the number of shares of Common Stock to which he shall be entitled; it being expressly agreed that until and unless the holder delivers written notice to the Corporation to the contrary, all shares of Common Stock issuable upon conversion of the Series 3 Class C Preferred Stock hereunder are to be delivered by the Corporation to a party designated in writing by the holder in the Conversion Notice for the account of the holder and such shall be deemed valid delivery to the holder of such shares of Common Stock. Such conversion shall be deemed to have been made only after both the certificate for the shares of Series 3 Class C Preferred Stock to be converted have been surrendered and the Conversion Notice is received by the Corporation (or in the event that no surrender of the Certificate is required, then only upon the receipt by the Corporation of the Conversion Notice) (the "Conversion Documents"), and the person or entity whose name is noted on the certificate evidencing such shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock at and after such time. In the event that the Conversion Notice is sent via facsimile transmission, the Corporation shall be deemed to have received such Conversion Notice on the first business day on which such facsimile Conversion Notice is actually received. If the Corporation fails to deliver to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion within five (5) business days after receipt by the Corporation from the holder of an appropriate and timely Conversion Notice and certificates pursuant to the terms of this Section 4.3, the Corporation shall pay to the holder U.S. \$1,000 for each day that the Corporation is late in delivering such certificate to the holder or its agent.

4.4 Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. If the Corporation at any time or from time to time while shares of Series 3 Class C Preferred Stock are issued and outstanding shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or

increased, as appropriate. If the Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common stock for no consideration, then the Corporation shall be deemed to have made a

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dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

4.5. **Adjustments for Reclassification and Reorganization**. If the Common Stock issuable upon conversion of the Series 3 Class C Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.4 hereof), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series 3 Class C Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Series 3 Class C Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series 3 Class C Preferred Stock immediately before that change.

4.6 **Common Stock Duly Issued**. All Common Stock which may be issued upon conversion of Series 3 Class C Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

4.7 **Notice of Adjustments**. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Part 4, the Corporation, at its expense, within a reasonable period of time, shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series 3 Class C Preferred Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment is based.

4.8 **Issue Taxes**. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of the Series 3 Class C Preferred Stock pursuant thereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder of Series 3 Class C Preferred Stock in connection with such conversion.

4.9 **Reservation of Stock Issuable Upon Conversion**. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series 3 Class C Preferred Stock, such number of its shares of Common Stock as shall, from time to time, be sufficient to effect the conversion of all outstanding shares of the Series 3 Class C Preferred stock, and, if at any time, the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series 3 Class C Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in reasonable efforts to obtain the requisite

stockholder approval of any necessary amendment to its Certificate of Incorporation.

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4.10 Fractional Shares. No fractional share shall be issued upon the conversion of any share or shares of Series 3 Class C Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series 3 Class C Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fractional share of Common Stock, such fractional share shall be rounded up to the nearest whole share.

4.11 Notices. Any notices required by the provisions of this Part 4 to be given to the holders of shares of Series 3 Class C Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

4.12 Business Day. As used herein, the term "business day" shall mean any day other than a Saturday, Sunday or a day when the federal and state banks located in the State of New York are required or permitted to close.

Part 5 - Redemption.

5.1 Redemption During First 180 Days. At any time, and from time to time, during the first one hundred eighty (180) days from the date of issuance of the Series 3 Class C Preferred Stock, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, the then outstanding Series 3 Class C Preferred Stock at a price per share of U. S. \$1,300.00 each ("First Six Months Redemption Price"). The Company may exercise such redemption by giving the holder of the Series 3 Class C Preferred Stock written notice of such redemption at any time during such 180-day period.

5.2 Other Rights of Redemption by the Corporation. At any time, and from time to time, after one hundred eighty (180) days from the date of the issuance of any Series 3 Class C Preferred Stock, if the average of the closing bid price of the Common Stock for ten (10) consecutive days shall be in excess of \$2.50 per share, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, the then outstanding Series 3 Class C Preferred Stock at a price per share of U. S. \$1,000 each (the "Redemption Price") (such price to be adjusted proportionately in the event of any change of the Series 3 Class C Preferred Stock into a different number of shares of Series 3 Class C Preferred Stock).

5.3 Mechanics of Redemption. Thirty (30) days prior to any date stipulated by the Corporation for the redemption of Series 3 Class C Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 3 Class C Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 3 Class C Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 3 Class C Preferred Stock to be redeemed from such

holder, and (iv) instructions as to how to specify to the Corporation the number of Series 3 Class C Preferred Stock to be redeemed as provided in this Part 5 and, if the Redemption Notice is mailed to the Holder after the first one hundred eighty (180) days from the date of issuance of the Series 3 Class C Preferred Stock, the number of shares to be converted into Common Stock as provided in Part 4 hereof.

5.4 Rights of Conversion Upon Redemption. If the redemption occurs pursuant to Section 5.1 hereof, the Holder of the Series 3 Class C Preferred Stock shall not have the right to convert those outstanding shares of Series 3 Class C Preferred Stock that the Company is redeeming after receipt of the Redemption Notice. If the redemption occurs pursuant to Section 5.2 hereof, then, upon receipt of the Redemption Notice, any holder of Series 3 Class C Preferred Stock shall have the option, at its sole election, to specify what portion of its Series 3 Class C Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 5 or converted into Common Stock in the manner provided in Part 4 hereof, except that, notwithstanding any provision of such Part 4 to the contrary, such holder shall have the right to convert into Common Stock that number of Series 3 Class C Preferred Stock called for redemption in the Redemption Notice.

5.5 Surrender of Certificates. On or before the Redemption Date in respect of any Series 3 Class C Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 5.5 hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall be canceled and retired. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 3 Class C Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

5.6 Payment. On the Redemption Date in respect of any Series 3 Class C Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least U. S. \$50,000,000, as a trust fund, a sum equal to the aggregate First Six Months Redemption Price or the Redemption Price, whichever is applicable, of all such shares called from redemption (less the aggregate Redemption Price for those Series 3 Class C Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Series 3 Class C Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the First Six Months Redemption Price or the Redemption Price, whichever is applicable, to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the

First Six Months Redemption Price or the Redemption Price, whichever is applicable, of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the First Six Months Redemption Price or the Redemption Price, whichever is applicable, in respect of their shares only from the Corporation.

Part 6 - Parity with Other Shares of Series 3 Class C Preferred Stock and Priority.

6.1 **Rateable Participation.** If any cumulative dividends or return of capital in respect of Series 3 Class C Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

6.2 **Ranking.** For purposes of this resolution, any stock of any class or series of the Corporation shall be deemed to rank:

6.2.1 Prior or senior to the shares of this Series 3 Class C Preferred Stock either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of this Series 3 Class C Preferred Stock;

6.2.2 On a parity with, or equal to, shares of this Series 3 Class C Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share or sinking fund provisions, if any, are different from those of this Series 3 Class C Preferred Stock, if the holders of such stock are entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and over the other, as between the holders of such stock and the holders of shares of this Series 3 Class C Preferred Stock; and,

6.2.3 Junior to shares of this Series 3 Class C Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock or if the holders of shares of this Series 3 Class C Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether

voluntary

or involuntary, as the case may be, in preference or priority to the holders of shares of such class or series.

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Part 7 - Amendment and Reissue.

7.1 **Amendment.** If any proposed amendment to the Corporation's Certificate of Incorporation would alter or change the powers, preferences or special rights of the Series 3 Class C Preferred Stock so as to affect such adversely, then the Corporation must obtain the affirmative vote of such amendment to the Certificate of Incorporation at a duly called and held series meeting of the holders of the Series 3 Class C Preferred Stock or written consent by the holders of a majority of the Series 3 Class C Preferred Stock then outstanding. Notwithstanding the above, the number of authorized shares of any class or classes of stock may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of this Section 7.1 or the requirements of Section 242 of the GCL.

7.2 **Authorized.** Any shares of Series 3 Class C Preferred Stock acquired by the Corporation by reason of purchase, conversion, redemption or otherwise shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred Stock hereafter created.

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**CERTIFICATE OF ELIMINATION
OF
SERIES I CLASS A PREFERRED STOCK
AND
SERIES 2 CLASS B CONVERTIBLE PREFERRED STOCK
OF**

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

PERMA-FIX ENVIRONMENTAL SERVICES, INC., a corporation organized and existing under the Delaware General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies the following:

1. That the Certificate of Designations of Series I Class A Preferred Stock of the Corporation (the "Series I Preferred") was filed on February 6, 1996 (the "Series I Certificate of Designations").

2. That all outstanding shares of the Series I Preferred have been converted into shares of common stock of the Company pursuant to the terms and conditions of the Series I Certificate of Designations.

3. That no shares of Series I Preferred remain outstanding.

4. That all shares of the Series I Preferred which have been converted have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

5. That on September 19, 1996, the Board of Directors of the company duly adopted the following resolution:

RESOLVED, that no authorized shares of Series I Class A Preferred Stock remain outstanding

and no shares of Series I Class A Preferred Stock will be issued subject to the Certificate of

Designation previously filed with respect to the Series I Class A Preferred Stock.

6. That the Certificate of Designations of the Series 2 Class B Convertible Preferred Stock of the Corporation (the "Series 2 Preferred") was filed on February 20, 1996 (the "Series 2 Certificate of Designations").

7. That all outstanding shares of the Series 2 Preferred have been converted into shares of common stock of the Company pursuant to the terms and conditions of the Series 2 Certificate of Designations.

8. That no shares of Series 2 Preferred remain outstanding.

9. That all shares of the Series 2 Preferred which have been converted have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

10. That on September 19, 1996, the Board of Directors of the company duly adopted the following resolution:

RESOLVED, that no authorized shares of Series 2 Class B Preferred Stock remain outstanding
and no shares of Series 2 Class B Convertible Preferred Stock will be issued subject to the Certificate of Designation previously filed with respect to the Series 2 Class B Convertible Preferred Stock.

11. That pursuant to the provisions of Section 151(g) of the Delaware General Corporation Law, upon the effective date of the filing of this Certificate, this Certificate will have the effect of eliminating from the Restated Certificate of Incorporation only those matters set forth in the Restated Certificate of Incorporation with respect to the Series I Class A Preferred Stock and the Series 2 Class B Convertible Preferred Stock.

IN WITNESS WHEREOF, this Certificate of Elimination has been executed this 4th day of December, 1996, by the President of the Company.

ATTEST: PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

/s/ Richard T. Kelecy
Richard T. Kelecy, Secretary

By /s/ Louis Centofanti
Dr. Louis F. Centofanti,
President

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**CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc., a Delaware corporation (the "Corporation"), for purposes of amending its Restated Certificate of Incorporation, as amended ("Restated

Certificate of Incorporation"), as provided by Section 242 of the Delaware General Corporation Law, does hereby certify:

1. The amendment set forth below to the Corporation's Restated Certificate of Incorporation was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware:

The first paragraph of Article Fourth of the Corporation's Restated Certificate of Incorporation is hereby deleted and replaced in its entirety by the following:

The total number of shares of capital stock that the Corporation shall have authority to issue is 52,000,000, of which 50,000,000 shall be designated as common stock of the par value of \$.001 per share ("Common Stock") and 2,000,000 shall be designated as preferred stock of the par value of \$.001 per share ("Preferred Stock").

2. Only the first paragraph of Article Fourth is amended by this Amendment, and the remainder of Article Fourth shall remain in full force and effect. No other provision, paragraph or article of the Restated Certificate of Incorporation is amended or changed by this Amendment. The Restated Certificate of Incorporation, as expressly amended by paragraph 1 of this Amendment, shall be in full force and effect.

3. At a meeting of the Board of Directors held on the 19th day of September, 1996, a resolution was duly adopted setting forth the foregoing proposed amendment to the first paragraph of Article Fourth of the Restated Certificate of Incorporation, declaring such amendment to be advisable and setting the next Annual Meeting of Stockholders for consideration thereof.

4. Thereafter, pursuant to said resolution of its Board of Directors, the Annual Meeting of Stockholders was duly called and held on December 12, 1996, at which meeting the necessary number of shares as required by statute were voted in favor of such amendment.

IN WITNESS whereof, Perma-Fix Environmental Services, Inc. has caused this Certificate to be signed and attested to by its duly authorized officers as of this 16th day of December, 1996.

Perma-Fix Environmental
Services, Inc.,
a Delaware corporation

By: /s/Louis F. Centofanti
Dr. Louis F. Centofanti
President and
Chief Executive Officer

ATTEST:

/s/ Richard T. Kelecy

Richard T. Kelecy,
Secretary

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**CERTIFICATE OF DESIGNATIONS
OF SERIES 4 CLASS D CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 4 Class D Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 4 Class D Convertible Preferred Stock as set forth in the attached resolutions.

Dated: June 9, 1997

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

By /s/ Louis Centofanti

Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecy

Richard T. Kelecy, Secretary

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")

RESOLUTION OF THE BOARD OF DIRECTORS

**FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 4 CLASS C CONVERTIBLE PREFERRED STOCK**

WHEREAS, the Corporation's capital includes preferred stock, par value \$.001 per share ("Preferred Stock"), which Preferred Stock may be issued in one or more series by resolutions adopted by the directors, and with the directors being entitled by resolution to fix the number of shares in each series and to designate the rights, designations, preferences and relative, participating, optional or other special rights and privileges, restrictions and conditions attaching to the shares of each such series;

WHEREAS, it is in the best interests of the Corporation for the Board to create a new series from the Preferred Stock designated as the Series 4 Class D Convertible Preferred Stock, par value \$.001 per share ("Series 4 Class D Preferred Stock");

NOW, THEREFORE, BE IT RESOLVED, that the Series 4 Class D Convertible Preferred Stock, par value \$.001 (the "Series 4 Class D Preferred Stock") of the Corporation shall consist of two thousand five hundred (2,500) shares and no more and shall be designated as the Series 4 Class D Convertible Preferred Stock, and the preferences, rights, privileges, restrictions and conditions attaching to the Series 4 Class D Preferred Stock shall be as follows:

Part 1 - Voting and Preemptive Rights.

1.1 **Voting Rights.** Except as otherwise provided in Part 7 hereof or under the General Corporation Law of the State of Delaware (the "GCL"), the holders of the Series 4 Class D Preferred Stock shall have no voting rights whatsoever. To the extent that under Part 7 hereof or the GCL the vote of the holders of the Series 4 Class D Preferred Stock, voting separately as a class or series as applicable, is required to authorize a given action of the Corporation, the affirmative vote or consent of the holders of at least a majority of the shares of the Series 4 Class D Preferred Stock represented at a duly held meeting at which a quorum is present or by written consent of a majority of the shares of Series 4 Class D Preferred Stock (except as otherwise may be required under the GCL) shall constitute the approval of such action by the series. To the extent that under the GCL or Part 7 hereof, the holders of the Series 4 Class D Preferred Stock are entitled to vote on a matter, each share of the Series 4 Class D Preferred Stock shall be entitled one (1) vote for each outstanding share of Series 4 Class D Preferred Stock. Holders of the Series 4 Class D Preferred Stock shall be entitled to notice of (and copies of proxy materials and other information sent to stockholders) for all shareholder meetings or

written consents with respect to which they would be entitled to vote, which notice would be provided pursuant to the Corporation's bylaws and applicable statutes.

1.2 **No Preemptive Rights.** The Series 4 Class D Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

Part 2 - Liquidation Rights.

2.1 **Liquidation.** If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any shares of the Series 4 Class D Preferred Stock shall be outstanding, the holders of the then outstanding Series 4 Class D Preferred Stock shall have a preference in distribution of the Corporation's property available for distribution to the holders of the Corporation's Common Stock equal to \$1,000 consideration per outstanding share of Series 4 Class D Preferred Stock, plus an amount equal to all unpaid dividends accrued thereon to the date of payment of such distribution ("Liquidation Preference"), whether or not declared by the Board.

2.2 **Payment of Liquidation Preferences.** Subject to the provisions of Part 6 hereof, all amounts to be paid as Liquidation Preference to the holders of Series 4 Class D Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of the Corporation's Common Stock, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

2.3 **No Rights After Payment.** After the payment to the holders of the shares of the Series 4 Class D Preferred Stock of the full Liquidation Preference amounts provided for in this Part 2, the holders of the Series 4 Class D Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

2.4 **Assets Insufficient to Pay Full Liquidation Preference.** In the event that the assets of the Corporation available for distribution to the holders of shares of the Series 4 Class D Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to this Part 2, no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series 4 Class D Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series 4 Class D Preferred Stock and shares of such other class or series ranking on a parity with the shares of this Series 4 Class D Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

Part 3 - Dividends.

3.1 The holders of the Series 4 Class D Preferred Stock are entitled to receive if, when and as declared by the Board out of funds legally available therefor, cumulative dividends, payable in cash or Common Stock of the Corporation, par value \$.001 per share (the "Common Stock"), or any combination thereof, at the Corporation's election, at the rate of four percent (4%) per annum of the Liquidation Value (as defined below) of each issued and outstanding share of Series 4 Class D Preferred Stock (the "Dividend Rate"). The Liquidation Value of the Series 4 Class D Preferred Stock shall be \$1,000 per outstanding share of the Series 4 Class D Preferred Stock (the "Liquidation Value"). The dividend is payable semi-annually within seven (7) business days after each of December 31 and June 30 of each year, commencing December 31, 1997 (each, a "Dividend Declaration Date"). Dividends shall be paid only with respect to shares of Series 4 Class D Preferred Stock actually issued and outstanding on a Dividend Declaration Date and to holders of record of the Series 4 Class D Preferred Stock as of the Dividend Declaration Date. Dividends shall accrue from the first day of the semi-annual period in which such dividend may be payable, except with respect to the first semi-annual dividend which shall accrue from the date of issuance of the Series 4 Class D Preferred Stock. In the event that the Corporation elects to pay the accrued dividends due as of a Dividend Declaration Date on an outstanding share of the Series 4 Class D Preferred Stock in Common Stock of the Corporation, the holder of such share shall receive that number of shares of Common Stock of the Corporation equal to the product of (a) the quotient of (i) the Dividend Rate divided by (ii) the average of the closing bid quotation of the Corporation's Common Stock as reported on the National Association of Securities Dealers Automated Quotation system ("NASDAQ"), or the average closing sale price if listed on a national securities exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"), times (b) a fraction, the numerator of which is the number of days elapsed during the period for which the dividend is to be paid, and the denominator of which is 365. Dividends on the Series 4 Class D Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Corporation's Common Stock until all accrued and unpaid dividends on all outstanding shares of Series 4 Class D Preferred Stock shall have been paid or declared and set aside for payment.

Part 4 - Conversion. The holders of the Series 4 Class D Preferred Stock shall have rights to convert the shares of Series 4 Class D Preferred Stock into shares of the Corporation's Common Stock, par value \$.001 per share ("Common Stock"), as follows (the "Conversion Rights"):

4.1 **Right to Convert.** The Series 4 Class D Preferred Stock shall be convertible into shares of Common Stock, as follows:

4.1.1 Up to one thousand two hundred fifty (1,250) shares of Series 4 Class D Preferred Stock may
be converted at the Conversion Price (as that term is defined in Section 4.2 below) at
any time
on or after October 5, 1997; and,

4.1.2 Up to an additional one thousand two hundred fifty (1,250) shares of Series 4 Class D Preferred Stock may be converted at the Conversion Price at any time on or after November 5, 1997.

4.2 **Conversion Price.** Subject to the terms hereof, as used herein, the term Conversion Price per outstanding share of Series 4 Class D Preferred Stock shall be the product of the lesser of (i) the average closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days immediately preceding the date of the Conversion Notice referred to in Section 4.3 below multiplied by eighty percent (80%) or (ii) U.S. \$1.6875. Notwithstanding the foregoing, the Conversion Price shall not be less than a minimum of \$.75 per share ("Minimum Conversion Price"), which Minimum Conversion Price shall be eliminated from and after September 6, 1998. If any of the outstanding shares of Series 4 Class D Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Part 4, the number of shares of whole Common Stock to be issued to the holder as a result of such conversion shall be determined by dividing (a) the aggregate Liquidation Value of the Series 4 Class D Preferred Stock so surrendered for conversion by (b) the Conversion Price in effect at the date of the conversion. At the time of conversion of shares of the Series 4 Class D Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of shares of whole Common Stock which is equal to the quotient of the amount of such unpaid and accrued dividends to the date of conversion on the shares of Series 4 Class D Preferred Stock so converted divided by the Stock Dividend Price, as defined in Section 3.1 hereof, in effect at the date of conversion.

4.3 **Mechanics of Conversion.** Any holder of the Series 4 Class D Preferred Stock who wishes to exercise its Conversion Rights pursuant to Section 4.1 of this Part 4 must, if such shares are not being held in escrow by the Corporation's attorneys, surrender the certificate therefor at the principal executive office of the Corporation, and give written notice, which may be via facsimile transmission, to the Corporation at such office that it elects to convert the same (the "Conversion Notice"). In the event that the shares of Series 4 Class D Preferred Stock are being held in escrow by the Corporation's attorneys, no delivery of the certificates shall be required. No Conversion Notice with respect to any shares of Series 4 Class D Preferred Stock can be given prior to the time such shares of Series 4 Class D Preferred Stock are eligible for conversion in accordance with the provision of Section 4.1 above, except as provided in Section 4.4. Any such premature Conversion Notice shall automatically be null and void. The Corporation shall, within five (5) business days after receipt of an appropriate and timely Conversion Notice (and certificate, if necessary), issue to such holder of Series 4 Class D Preferred Stock or its agent a certificate for the number of shares of Common Stock to which he shall be entitled; it being expressly agreed that until and unless the holder delivers written notice to the Corporation to

the contrary, all shares of Common Stock issuable upon conversion of the Series 4 Class D Preferred Stock hereunder are to be delivered by the Corporation to a party designated in writing by the holder in the Conversion Notice for the account of the holder and such shall be deemed valid delivery to the holder of such shares of Common Stock. Such conversion shall be deemed

to have been made only after both the certificate for the shares of Series 4 Class D Preferred Stock to be converted have been surrendered and the Conversion Notice is received by the Corporation (or in the event that no surrender of the Certificate is required, then only upon the receipt by the Corporation of the Conversion Notice) (the "Conversion Documents"), and the person or entity whose name is noted on the certificate evidencing such shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock at and after such time. In the event that the Conversion Notice is sent via facsimile transmission, the Corporation shall be deemed to have received such Conversion Notice on the first business day on which such facsimile Conversion Notice is actually received. If the Corporation fails to deliver to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion within seven (7) business days after receipt by the Corporation from the holder of an appropriate and timely Conversion Notice and certificates pursuant to the terms of this Section 4.3 ("Seven (7) Business Day Period"), then, upon the written demand of RBB Bank Aktiengesellschaft ("RBB Bank"), the holder of the Series 4 Class D Preferred Stock, for payment of the penalty described below in this Section 4.3, which demand must be received by the Corporation no later than ten (10) calendar days after the expiration of such Seven (7) Business Day Period, the Corporation shall pay to RBB Bank the following penalty for each business day after the Seven (7) Business Day Period until the Corporation delivers to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion: business day eight (8) - U.S. \$1,000; business day nine (9) - U.S. \$2,000, and each business day thereafter an amount equal to the penalty due on the immediately preceding business day times two (2) until the Corporation delivers to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion.

4.4 Merger or Consolidation. In case of either (a) any merger or consolidation to which the Corporation is a party (collectively, the "Merger"), other than a Merger in which the Corporation is the surviving or continuing corporation, or (b) any sale or conveyance to another corporation of all, or substantially all, of the assets of the Corporation (collectively, the "Sale"), and such Merger or Sale becomes effective (x) while any shares of Series 4 Class D Preferred Stock are outstanding and prior to the date that the Corporation's Registration Statement covering up to 1,482,000 shares of Common Stock issuable upon the conversion of the Series 4 Class D Preferred Stock is declared effective by the U. S. Securities and Exchange Commission or (y) prior to the end of the restriction periods in Section 4.1, then, in such event, the Corporation or such successor corporation, as the case may be, shall make appropriate provision so that the holder of each share of Series 4

Class D Preferred Stock then outstanding shall have the right to convert such share of Series 4 Class D Preferred Stock into the kind and amount of shares of stock or other securities and property receivable upon such Merger or Sale by a holder of the number of shares of Common Stock into which such shares of Series 4 Class D Preferred Stock could have been converted into immediately prior to such Merger or Sale, subject to adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Part 4.

4.4 Adjustments to Conversion Price for Stock Dividends and for Combinations or

Subdivisions of Common Stock. If the Corporation at any time or from time to time while shares of Series 4 Class D Preferred Stock are issued and outstanding shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

4.5. **Adjustments for Reclassification and Reorganization**. If the Common Stock issuable upon conversion of the Series 4 Class D Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.4 hereof), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series 4 Class D Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Series 4 Class D Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series 4 Class D Preferred Stock immediately before that change.

4.6 **Common Stock Duly Issued**. All Common Stock which may be issued upon conversion of Series 4 Class D Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

4.7 **Notice of Adjustments**. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Part 4, the Corporation, at its expense, within a reasonable period of time, shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series 4 Class D Preferred Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment is based.

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4.8 **Issue Taxes**. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of the Series 4 Class D Preferred Stock pursuant thereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder of Series 4 Class D Preferred Stock in connection with such conversion.

4.9 **Reservation of Stock Issuable Upon Conversion**. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series 4 Class D Preferred Stock, such number of its shares of Common Stock as shall, from time to time, be sufficient to effect the conversion of all outstanding shares of the Series 4 Class D Preferred stock, and, if at any time, the number of authorized but unissued shares of Common Stock shall not be sufficient to effect

the conversion of all then outstanding shares of the Series 4 Class D Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to its Certificate of Incorporation.

4.10 Fractional Shares. No fractional shares shall be issued upon the conversion of any share or shares of Series 4 Class D Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series 4 Class D Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fractional share of Common Stock, such fractional share shall be rounded up to the nearest whole share.

4.11 Notices. Any notices required by the provisions of this Part 4 to be given to the holders of shares of Series 4 Class D Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

4.12 Business Day. As used herein, the term "business day" shall mean any day other than a Saturday, Sunday or a day when the federal and state banks located in the State of New York are required or is permitted to close.

Part 5 - Redemption.

5.1 Redemption at Corporation's Option. Except as otherwise provided in this Section 5.1, at any time, and from time to time, after the expiration of one (1) year from the date of the first issuance of the Series 4 Class D

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Preferred Stock, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, at any time, and from time to time, the then outstanding Series 4 Class D Preferred Stock at the following cash redemption prices per share (the "Redemption Price") if redeemed during the following periods: (a) within four (4) years from the date of the first issuance of Series 4 Class D Preferred Stock - \$1,300 per share, if at any time during such four (4) year period the average of the closing bid price of the Common Stock for ten (10) consecutive trading days shall be in excess of Four U.S. Dollars (\$4.00) per share, and (b) after four (4) years from the date of the first issuance of Series 4 Class D Preferred Stock - \$1,000 per share.

5.3 Mechanics of Redemption. Thirty (30) days prior to any date stipulated by the Corporation for the redemption of Series 4 Class D Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 4 Class D Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 4 Class D Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 4 Class D Preferred Stock to be redeemed from such holder, and (iv)

instructions as to how to specify to the Corporation the number of Series 4 Class D Preferred Stock to be redeemed as provided in this Part 5 and, if the Redemption Notice is mailed to the Holder after the first one hundred eighty (180) days from the date of issuance of the Series 4 Class D Preferred Stock, the number of shares to be converted into Common Stock as provided in Part 4 hereof.

5.4 Rights of Conversion Upon Redemption. If the redemption occurs after the first one hundred eighty (180) days after the first issuance of Series 4 Class D Preferred Stock, then, upon receipt of the Redemption Notice, any holder of Series 4 Class D Preferred Stock shall have the option, at its sole election, to specify what portion of its Series 4 Class D Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 5 or converted into Common Stock in the manner provided in Part 4 hereof, except that, notwithstanding any provision of such Part 4 to the contrary, such holder shall have the right to convert into Common Stock that number of Series 4 Class D Preferred Stock called for redemption in the Redemption Notice.

5.5 Surrender of Certificates. On or before the Redemption Date in respect of any Series 4 Class D Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 5.6 hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall be canceled and retired. If a share certificate is

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surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 4 Class D Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

5.6 Payment. On the Redemption Date in respect of any Series 4 Class D Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least U. S. \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all such shares called from redemption (less the aggregate Redemption Price for those Series 4 Class D Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Series 4 Class D Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the Redemption Price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

Part 6 - Parity with Other Shares of Series 4 Class D Preferred Stock and Priority.

6.1 **Rateable Participation.** If any cumulative dividends or return of capital in respect of Series 4 Class D Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

6.2 **Ranking.** For purposes of this resolution, any stock of any class or series of the Corporation shall be deemed to rank:

6.2.1 Prior or senior to the shares of this Series 4 Class D Preferred Stock either as to dividends or
upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends
or of amounts distributable upon dissolution, liquidation or winding up of the Corporation,
whether voluntary or involuntary, as the case may be, in preference or priority to the holders
of shares of this Series 4 Class D Preferred Stock;

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6.2.2 On a parity with, or equal to, shares of this Series 4 Class D Preferred Stock, either as to dividends
or upon liquidation, whether or not the dividend rates, dividend payment dates, or redemption or
liquidation prices per share or sinking fund provisions, if any, are different from those of
this
Series 4 Class C Preferred Stock, if the holders of such stock are entitled to the receipt
of
dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, in proportion to their respective dividend
rates
or liquidation prices, without preference or priority, one over the other, as between the holders
of such stock and over the other, as between the holders of such stock and the holders
of shares
of this Series 4 Class D Preferred Stock; and,

6.2.3 Junior to shares of this Series 4 Class D Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock or if the holders of shares of this Series 4 Class D Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or series.

Part 7 - Amendment and Reissue.

7.1 Amendment. If any proposed amendment to the Corporation's Certificate of Incorporation (the

"Articles") would alter or change the powers, preferences or special rights of the Series 4 Class D Preferred Stock so as to affect such adversely, then the Corporation must obtain the affirmative vote of such amendment to the Articles at a duly called and held series meeting of the holders of the Series 4 Class D Preferred Stock or written consent by the holders of a majority of the Series 4 Class D Preferred Stock then outstanding. Notwithstanding the above or the provisions of the GCL, the number of authorized shares of any class or classes of stock of the Corporation may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of the provisions of this Section 7.1 or Section 242 of the GCL.

7.2 **Authorized.** Any shares of Series 4 Class D Preferred Stock acquired by the Corporation by reason of purchase, conversion, redemption or otherwise shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred Stock hereafter created.

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**CERTIFICATE OF DESIGNATIONS
OF SERIES 5 CLASS E CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 5 Class E Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 5 Class E Convertible Preferred Stock as set forth in the attached resolutions.

Dated: July 3, 1997

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

By /s/ Louis Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecy

**PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")**

RESOLUTION OF THE BOARD OF DIRECTORS

**FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 5 CLASS E CONVERTIBLE PREFERRED STOCK**

WHEREAS, the Corporation's capital includes preferred stock, par value \$.001 per share ("Preferred Stock"), which Preferred Stock may be issued in one or more series by resolutions adopted by the directors, and with the directors being entitled by resolution to fix the number of shares in each series and to designate the rights, designations, preferences and relative, participating, optional or other special rights and privileges, and qualifications, limitations or restrictions attaching to the shares of each such series;

WHEREAS, it is in the best interests of the Corporation for the Board to create a new series from the Preferred Stock designated as the Series 5 Class E Convertible Preferred Stock, par value \$.001 per share ("Series 5 Class E Preferred Stock");

NOW, THEREFORE, BE IT RESOLVED, that the Series 5 Class E Convertible Preferred Stock, par value \$.001 (the "Series 5 Class E Preferred Stock") of the Corporation shall consist of three hundred fifty (350) shares and no more and shall be designated as the Series 5 Class E Convertible Preferred Stock, and the preferences, rights, privileges, restrictions and conditions attaching to the Series 5 Class E Preferred Stock shall be as follows:

Part 1 - Voting and Preemptive Rights.

1.1 **Voting Rights.** Except as otherwise provided in Section 242(b)(2) of the General Corporation Law of the State of Delaware (the "GCL"), the holders of the Series 5 Class E Preferred Stock shall have no voting rights whatsoever. To the extent that under Section 242(b)(2) of the GCL the vote of the holders of the Series 5 Class E Preferred Stock, voting separately as a class or series as applicable, is required to authorize a given action of the Corporation, the affirmative vote or consent of the holders of at least a majority of the shares of the Series 5 Class E Preferred Stock represented at a duly held meeting at which a quorum is present or by written consent of a majority of the shares of Series 5 Class E Preferred Stock (except as otherwise may be required under the GCL) shall constitute the approval of such action by the series. To the extent that under Section 242(b)(2) of the GCL the holders of the Series 5 Class E Preferred Stock are entitled to vote on a matter, each share of the Series 5 Class E Preferred Stock shall be entitled one (1) vote for each outstanding share of Series 5 Class E Preferred Stock. Holders of the Series 5 Class E Preferred Stock shall be entitled to

notice of (and copies of proxy materials and other information sent to stockholders) for all shareholder meetings or written consents with respect to which they would be entitled to vote, which notice would be provided pursuant to the Corporation's bylaws and applicable statutes. If the holders of the Series 5 Class E Preferred Stock are required to vote under Section 242(b)(2) of the GCL as a result of the number of authorized shares of any such class or classes of stock being increased or decreased, the number of authorized shares of any of such class or classes of stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, irrespective of the provisions of Section 242(b)(2) of the GCL.

1.2 No Preemptive Rights. The Series 5 Class E Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

Part 2 - Liquidation Rights.

2.1 Liquidation. If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any shares of the Series 5 Class E Preferred Stock shall be outstanding, the holders of the then outstanding Series 5 Class E Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to shareholders an amount equal to \$1,000 consideration per outstanding share of Series 5 Class E Preferred Stock, and no more, plus an amount equal to all unpaid dividends accrued thereon to the date of payment of such distribution ("Liquidation Preference"), whether or not declared by the Board of Directors, before any payment shall be made or any assets distributed to the holders of the Corporation's Common Stock.

2.2 Payment of Liquidation Preferences. Subject to the provisions of Part 6 hereof, all amounts to be paid as Liquidation Preference to the holders of Series 5 Class E Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of the Corporation's Common Stock, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

2.3 No Rights After Payment. After the payment to the holders of the shares of the Series 5 Class E Preferred Stock of the full Liquidation Preference amounts provided for in this Part 2, the holders of the Series 5 Class E Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

2.4 Assets Insufficient to Pay Full Liquidation Preference. In the event that the assets of the Corporation available for distribution to the holders of shares of the Series 5 Class E Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to this Part 2, no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series 5 Class E Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series 5 Class E Preferred Stock and

shares of such other class or series ranking on a parity with the shares of this Series 5 Class E Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

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Part 3 - Dividends.

3.1 The holders of the Series 5 Class E Preferred Stock are entitled to receive if, when and as declared by the Board of Directors of the Corporation (the "Board") out of funds legally available therefor, cumulative annual dividends, payable in cash or Common Stock of the Corporation, par value \$.001 per share (the "Common Stock"), or any combination thereof, at the Corporation's election, at the rate of four percent (4%) per annum of the Liquidation Value (as defined below) of each issued and outstanding share of Series 5 Class E Preferred Stock (the "Dividend Rate"). The Liquidation Value of the Series 5 Class E Preferred Stock shall be \$1,000 per outstanding share of the Series 5 Class E Preferred Stock (the "Liquidation Value"). The dividend is payable semi-annually within seven (7) business days after each of December 31 and June 30 of each year, commencing December 31, 1997 (each, a "Dividend Declaration Date"). Dividends shall be paid only with respect to shares of Series 5 Class E Preferred Stock actually issued and outstanding on a Dividend Declaration Date and to holders of record of the Series 5 Class E Preferred Stock as of the Dividend Declaration Date. Dividends shall accrue from the first day of the semi-annual period in which such dividend may be payable, except with respect to the first semi-annual dividend which shall accrue from the date of issuance of the Series 5 Class E Preferred Stock. In the event that the Corporation elects to pay the accrued dividends due as of a Dividend Declaration Date on an outstanding share of the Series 5 Class E Preferred Stock in Common Stock of the Corporation, the holder of such share shall receive that number of shares of Common Stock of the Corporation equal to the product of (a) the quotient of (i) the Dividend Rate divided by (ii) the average of the closing bid quotation of the Corporation's Common Stock as reported on the National Association of Securities Dealers Automated Quotation system ("NASDAQ"), or the average closing sale price if listed on a national securities exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"), times (b) a fraction, the numerator of which is the number of days elapsed during the period for which the dividend is to be paid, and the denominator of which is 365. Dividends on the Series 5 Class E Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Corporation's Common Stock until all accrued and unpaid dividends on all outstanding shares of Series 5 Class E Preferred Stock shall have been paid or declared and set aside for payment.

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Part 4 - Conversion. The holders of the Series 5 Class E Preferred Stock shall have rights to convert the shares of Series 5 Class E Preferred Stock into shares of the Corporation's Common Stock, as follows (the "Conversion Rights"):

4.1 **Right to Convert.** The Series 5 Class E Preferred Stock shall be convertible into shares of

Common Stock, as follows:

4.1.1 Up to one hundred seventy-five (175) shares of Series 5 Class E Preferred Stock may be converted at the Conversion Price (as that term is defined in Section 4.2 below) at any time on or after November 3, 1997; and,

4.1.2 Up to an additional one hundred seventy-five (175) shares of Series 5 Class E Preferred Stock may be converted at the Conversion Price at any time on or after December 3, 1997.

4.2 Conversion Price. Subject to the terms hereof, as used herein, the term Conversion Price per outstanding share of Series 5 Class E Preferred Stock shall be the product of the lesser of (i) the average closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days immediately preceding the date of the Conversion Notice referred to in Section 4.3 below multiplied by eighty percent (80%) or (ii) U.S. \$1.6875. Notwithstanding the foregoing, the Conversion Price shall not be less than a minimum of \$.75 per share ("Minimum Conversion Price"), which Minimum Conversion Price shall be eliminated from and after September 6, 1998. If any of the outstanding shares of Series 5 Class E Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Part 4, the number of shares of whole Common Stock to be issued to the holder as a result of such conversion shall be determined by dividing (a) the aggregate Liquidation Value of the Series 5 Class E Preferred Stock so surrendered for conversion by (b) the Conversion Price in effect at the date of the conversion. At the time of conversion of shares of the Series 5 Class E Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of shares of whole Common Stock which is equal to the quotient of the amount of such unpaid and accrued dividends to the date of conversion on the shares of Series 5 Class E Preferred Stock so converted divided by the Stock Dividend Price, as defined in Section 3.1 hereof, in effect at the date of conversion.

4.3 Mechanics of Conversion. Any holder of the Series 5 Class E Preferred Stock who wishes to exercise its Conversion Rights pursuant to Section 4.1 of this Part 4 must surrender the certificate therefor at the principal executive office of the Corporation, and give written notice, which may be via facsimile transmission,

to the Corporation at such office that it elects to convert the same (the "Conversion Notice"). No Conversion Notice with respect to any shares of Series 5 Class E Preferred Stock can be given prior to the time such shares of Series 5 Class E Preferred Stock are eligible for conversion in accordance with the provision of Section 4.1 above, except as provided in Section 4.4. Any such premature Conversion Notice shall automatically be null and void. The Corporation shall, within seven (7) business days after receipt of an appropriate and timely Conversion Notice (and certificate, if necessary), issue to such holder of Series 5 Class E Preferred Stock or its agent a certificate for the number of shares of Common Stock to which he shall be entitled; it being

expressly agreed that until and unless the holder delivers written notice to the Corporation to the contrary, all shares of Common Stock issuable upon conversion of the Series 5 Class E Preferred Stock hereunder are to be delivered by the Corporation to a party designated in writing by the holder in the Conversion Notice for the account of the holder and such shall be deemed valid delivery to the holder of such shares of Common Stock. Such conversion shall be deemed to have been made only after both the certificate for the shares of Series 5 Class E Preferred Stock to be converted have been surrendered and the Conversion Notice is received by the Corporation (the "Conversion Documents"), and the person or entity whose name is noted on the certificate evidencing such shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock at and after such time. In the event that the Conversion Notice is sent via facsimile transmission, the Corporation shall be deemed to have received such Conversion Notice on the first business day on which such facsimile Conversion Notice is actually received.

4.4 Merger or Consolidation. In case of either (a) any merger or consolidation to which the Corporation is a party (collectively, the "Merger"), other than a Merger in which the Corporation is the surviving or continuing corporation, or (b) any sale or conveyance to another corporation of all, or substantially all, of the assets of the Corporation (collectively, the "Sale"), and such Merger or Sale becomes effective (x) while any shares of Series 5 Class E Preferred Stock are outstanding and prior to the date that the Corporation's Registration Statement covering up to 200,000 shares of Common Stock issuable upon the conversion of the Series 5 Class E Preferred Stock is declared effective by the U. S. Securities and Exchange Commission or (y) prior to the end of the restriction periods in Section 4.1, then, in such event, the Corporation or such successor corporation, as the case may be, shall make appropriate provision so that the holder of each share of Series 5 Class E Preferred Stock then outstanding shall have the right to convert such share of Series 5 Class E Preferred Stock into the kind and amount of shares of stock or other securities and property receivable upon such Merger or Sale by a holder of the number of shares of Common Stock into which such shares of Series 5 Class E Preferred Stock could have been converted into immediately prior to such Merger or Sale, subject to adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Part 4.

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4.4 Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. If the Corporation at any time or from time to time while shares of Series 5 Class E Preferred Stock are issued and outstanding shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

4.5. Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series 5 Class E Preferred Stock shall be changed into the same or a

different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.4 hereof), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series 5 Class E Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Series 5 Class E Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series 5 Class E Preferred Stock immediately before that change.

4.6 Common Stock Duly Issued. All Common Stock which may be issued upon conversion of Series 5 Class E Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

4.7 Notice of Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Part 4, the Corporation, at its expense, within a reasonable period of time, shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series 5 Class E Preferred Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment is based.

4.8 Issue Taxes. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of the Series 5 Class E Preferred Stock pursuant thereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder of Series 5 Class E Preferred Stock in connection with such conversion.

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4.9 Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series 5 Class E Preferred Stock, such number of its shares of Common Stock as shall, from time to time, be sufficient to effect the conversion of all outstanding shares of the Series 5 Class E Preferred stock, and, if at any time, the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series 5 Class E Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to its Certificate of Incorporation.

4.10 Fractional Shares. No fractional shares shall be issued upon the conversion of any share or shares of Series 5 Class E Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series 5 Class E Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fractional share of Common Stock, such fractional share shall be rounded up to the nearest whole share.

4.11 **Notices.** Any notices required by the provisions of this Part 4 to be given to the holders of shares of Series 5 Class E Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

4.12 **Business Day.** As used herein, the term "business day" shall mean any day other than a Saturday, Sunday or a day when the federal and state banks located in the State of New York are required or is permitted to close.

Part 5 - Redemption.

5.1 **Redemption at Corporation's Option.** Except as otherwise provided in this Section 5.1, at any time, and from time to time, after the expiration of one (1) year from the date of the first issuance of the Series 5 Class E Preferred Stock, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, at any time, and from time to time, the then outstanding Series 5 Class E Preferred Stock at the following cash redemption prices per share (the "Redemption Price") if redeemed during the following periods: (a) within four (4) years from the date of the first issuance of Series 5 Class E Preferred Stock - \$1,300 per share, if at any time during such four (4) year period the average of the closing bid price of the Common Stock for ten (10) consecutive trading days shall be in excess of Four U.S. Dollars (\$4.00) per share, and (b) after four (4) years from the date of the first issuance of Series 5 Class E Preferred Stock - \$1,000 per share.

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5.3 **Mechanics of Redemption.** Thirty (30) days prior to any date stipulated by the Corporation for the redemption of Series 5 Class E Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 5 Class E Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 5 Class E Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 5 Class E Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series 5 Class E Preferred Stock to be redeemed as provided in this Part 5.

5.4 **Rights of Conversion Upon Redemption.** If the redemption occurs after the first one hundred eighty (180) days after the first issuance of Series 5 Class E Preferred Stock, then, upon receipt of the Redemption Notice, any holder of Series 5 Class E Preferred Stock shall have the option, at its sole election, to specify what portion of its Series 5 Class E Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 5 or converted into Common Stock in the manner provided in Part 4 hereof.

5.5 **Surrender of Certificates.** On or before the Redemption Date in respect of any Series 5 Class E Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 5.6 hereof, to the order of

the person whose name appears on such certificate or certificates as the owner thereof. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 5 Class E Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

5.6 Payment. On the Redemption Date in respect of any Series 5 Class E Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least U. S. \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all such shares called from redemption (less the aggregate Redemption Price for those Series 5 Class E Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Series 5 Class E

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Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the Redemption Price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

Part 6 - Parity with Other Shares of Series 5 Class E Preferred Stock and Priority.

6.1 Rateable Participation. If any cumulative dividends or return of capital in respect of Series 5 Class E Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

6.2 Ranking. For purposes of this resolution, any stock of any class or series of the Corporation shall be deemed to rank:

6.2.1 Prior or senior to the shares of this Series 5 Class E Preferred Stock either as to dividends

or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of

dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority

to the holders of shares of this Series 5 Class E Preferred Stock;

6.2.2 On a parity with, or equal to, shares of this Series 5 Class E Preferred Stock, either as to

dividends or upon liquidation, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share or sinking fund provisions, if any, are different from those of this Series 5 Class E Preferred Stock, if the holders of such stock are entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and over the other, as between the holders of such stock and the holders of shares of this Series 5 Class E Preferred Stock; and,

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6.2.3 Junior to shares of this Series 5 Class E Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock or if the holders of shares of this Series 5 Class E Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or series.

Part 7 - Reissue.

7.1 **Authorized.** Any shares of Series 5 Class E Preferred Stock acquired by the Corporation by reason of purchase, conversion, redemption or otherwise shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred Stock hereafter created.

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**CERTIFICATE OF DESIGNATIONS
OF SERIES 6 CLASS F CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 6 Class F Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 6 Class F Convertible Preferred Stock as set forth in the attached resolutions.

Dated: November 12, 1997

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

By /s/ Louis Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecy
Richard T. Kelecy, Secretary

**PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")**

RESOLUTION OF THE BOARD OF DIRECTORS

**FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 6 CLASS F CONVERTIBLE PREFERRED STOCK**

WHEREAS, the Corporation's capital includes preferred stock, par value \$.001 per share

("Preferred Stock"), which Preferred Stock may be issued in one or more series by resolutions adopted by the directors, and with the directors being entitled by resolution to fix the number of shares in each series and to designate the rights, designations, preferences and relative, participating, optional or other special rights and privileges, restrictions and conditions attaching to the shares of each such series;

WHEREAS, it is in the best interests of the Corporation for the Board to create a new series from the Preferred Stock designated as the Series 6 Class F Convertible Preferred Stock, par value \$.001 per share (the "Series 6 Class F Preferred Stock");

NOW, THEREFORE, BE IT RESOLVED, that the Series 6 Class F Preferred Stock shall consist of two thousand five hundred (2,500) shares and no more and shall be designated as the Series 6 Class F Convertible Preferred Stock, and the preferences, rights, privileges, restrictions and conditions attaching to the Series 6 Class F Preferred Stock shall be as follows:

Part 1 - Voting and Preemptive Rights.

1.1 **Voting Rights.** Except as otherwise provided in Part 7 hereof or under the General Corporation Law of the State of Delaware (the "GCL"), the holders of the Series 6 Class F Preferred Stock shall have no voting rights whatsoever. To the extent that under Part 7 hereof or the GCL the vote of the holders of the Series 6 Class F Preferred Stock, voting separately as a class or series as applicable, is required to authorize a given action of the Corporation, the affirmative vote or consent of the holders of at least a majority of the shares of the Series 6 Class F Preferred Stock represented at a duly held meeting at which a quorum is present or by written consent of a majority of the shares of Series 6 Class F Preferred Stock (except as otherwise may be required under the GCL) shall constitute the approval of such action by the series. To the extent that under the GCL or Part 7 hereof, the holders of the Series 6 Class F Preferred Stock are entitled to vote on a matter, each share of the Series 6 Class F Preferred Stock shall be entitled one (1) vote for each outstanding share of Series 6 Class F Preferred Stock. Holders of the Series 6 Class F Preferred Stock shall be entitled to notice of (and copies of proxy materials and other information sent to stockholders) for all shareholder meetings or

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written consents with respect to which they would be entitled to vote, which notice would be provided pursuant to the Corporation's bylaws and applicable statutes.

1.2 **No Preemptive Rights.** The Series 6 Class F Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

Part 2 - Liquidation Rights.

2.1 **Liquidation.** If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any shares of the Series 6 Class F Preferred Stock shall be outstanding, the holders of the then outstanding Series 6 Class F Preferred Stock shall have a preference in distribution of the Corporation's property available for distribution to the holders of the Corporation's Common Stock equal to \$1,000 consideration per outstanding share of Series

6 Class F Preferred Stock, plus an amount equal to all unpaid dividends accrued thereon to the date of payment of such distribution ("Liquidation Preference"), whether or not declared by the Board.

2.2 Payment of Liquidation Preferences. Subject to the provisions of Part 6 hereof, all amounts to be paid as Liquidation Preference to the holders of Series 6 Class F Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of the Corporation's Common Stock, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

2.3 No Rights After Payment. After the payment to the holders of the shares of the Series 6 Class F Preferred Stock of the full Liquidation Preference amounts provided for in this Part 2, the holders of the Series 6 Class F Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

2.4 Assets Insufficient to Pay Full Liquidation Preference. In the event that the assets of the Corporation available for distribution to the holders of shares of the Series 6 Class F Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to this Part 2, no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series 6 Class F Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series 6 Class F Preferred Stock and shares of such other class or series ranking on a parity with the shares of this Series 6 Class F Preferred Stock,

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ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

Part 3 - Dividends. The holders of the Series 6 Class F Preferred Stock are entitled to receive if, when and as declared by the Board out of funds legally available therefor, cumulative dividends, payable in cash or Common Stock of the Corporation, par value \$.001 per share (the "Common Stock"), or any combination thereof, at the Corporation's election, at the rate of four percent (4%) per annum of the Liquidation Value (as defined below) of each issued and outstanding share of Series 6 Class F Preferred Stock (the "Dividend Rate"). The Liquidation Value of the Series 6 Class F Preferred Stock shall be \$1,000 per outstanding share of the Series 6 Class F Preferred Stock (the "Liquidation Value"). The dividend is payable semi-annually within seven (7) business days after each of December 31 and June 30 of each year, commencing December 31, 1997 (each, a "Dividend Declaration Date"). Dividends shall be paid only with respect to shares of Series 6 Class F Preferred Stock actually issued and outstanding on a Dividend Declaration Date and to holders of record of the Series 6 Class F Preferred Stock as of the Dividend Declaration Date. Dividends shall accrue from the first day of the semi-annual period in which such dividend may be payable, except with respect to the first semi-annual dividend which shall accrue from September 16, 1997. In the event that the Corporation elects to pay the accrued dividends due as of a Dividend Declaration Date on an outstanding share of the Series 6 Class F

Preferred Stock in Common Stock of the Corporation, the holder of such share shall receive that number of shares of Common Stock of the Corporation equal to the product of (a) the quotient of (i) the Dividend Rate divided by (ii) the average of the closing bid quotation of the Corporation's Common Stock as reported on the National Association of Securities Dealers Automated Quotation system ("NASDAQ"), or the average closing sale price if listed on a national securities exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"), times (b) a fraction, the numerator of which is the number of days elapsed during the period for which the dividend is to be paid, and the denominator of which is 365. Dividends on the Series 6 Class F Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Corporation's Common Stock until all accrued and unpaid dividends on all outstanding shares of Series 6 Class F Preferred Stock shall have been paid or declared and set aside for payment.

Part 4 - Conversion. The holders of the Series 6 Class F Preferred Stock shall have rights to convert the shares of Series 6 Class F Preferred Stock into shares of the Corporation's Common Stock, par value \$.001 per share ("Common Stock"), as follows (the "Conversion Rights"):

4.1 Right to Convert. The Series 6 Class F Preferred Stock shall be convertible into shares of Common Stock, as follows:

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4.1.1 Up to one thousand two hundred fifty (1,250) shares of Series 6 Class F Preferred Stock may
be converted at the Conversion Price (as that term is defined in Section 4.2 below) at any time
on or after October 5, 1997; and,

4.1.2 Up to an additional one thousand two hundred fifty (1,250) shares of Series 6 Class F Preferred
Stock may be converted at the Conversion Price at any time on or after November 5, 1997.

4.2 Conversion Price. Subject to the terms hereof, as used herein, the Conversion Price per outstanding share of Series 6 Class F Preferred Stock shall be \$1.8125, except that, in the event the average closing bid price per share of the Common Stock for 20 of any 30 consecutive trading days after March 1, 1998 shall be less than \$2.50 as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, the Conversion Price shall thereafter be the product of the lesser of (i) the average closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five trading days immediately preceding the date of the Conversion Notice referred to in Section 4.3 below multiplied by eighty percent (80%) or (ii) \$1.8125. Notwithstanding the foregoing, the Conversion Price shall not be less than a minimum of \$.75 per share ("Minimum Conversion Price"), which Minimum Conversion Price shall be eliminated from and after September 6, 1998. If any of the outstanding shares of Series 6 Class F Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Part 4, the number of shares of whole Common Stock to be issued to the holder as a result of such conversion shall be determined by dividing (a) the aggregate Liquidation Value of the Series 6 Class F Preferred Stock so surrendered for conversion by (b) the Conversion Price as of such conversion. At the time of conversion of shares of the Series 6 Class F Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, in lieu

of paying cash for the accrued and unpaid dividends, issue that number of whole shares of Common Stock which is equal to the quotient of the amount of such unpaid and accrued dividends to the date of conversion on the shares of Series 6 Class F Preferred Stock so converted divided by the Stock Dividend Price, as defined in Part 3 hereof, in effect at the date of conversion.

4.3 Mechanics of Conversion. Any holder of the Series 6 Class F Preferred Stock who wishes to exercise its Conversion Rights pursuant to Section 4.1 of this Part 4 must, if such shares are not being held in escrow by the Corporation's attorneys, surrender the certificate therefor at the principal executive office of the Corporation, and give written notice, which may be via facsimile transmission, to the Corporation at such office that it elects to convert the same (the "Conversion Notice"). In the event that the shares of Series 6 Class F

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Preferred Stock are being held in escrow by the Corporation's attorneys, no delivery of the certificates shall be required. No Conversion Notice with respect to any shares of Series 6 Class F Preferred Stock can be given prior to the time such shares of Series 6 Class F Preferred Stock are eligible for conversion in accordance with the provision of Section 4.1 above, except as provided in Section 4.4. Any such premature Conversion Notice shall automatically be null and void. The Corporation shall, within five (5) business days after receipt of an appropriate and timely Conversion Notice (and certificate, if necessary), issue to such holder of Series 6 Class F Preferred Stock or its agent a certificate for the number of shares of Common Stock to which he shall be entitled; it being expressly agreed that until and unless the holder delivers written notice to the Corporation to the contrary, all shares of Common Stock issuable upon conversion of the Series 6 Class F Preferred Stock hereunder are to be delivered by the Corporation to a party designated in writing by the holder in the Conversion Notice for the account of the holder and such shall be deemed valid delivery to the holder of such shares of Common Stock. Such conversion shall be deemed to have been made only after both the certificate for the shares of Series 6 Class F Preferred Stock to be converted have been surrendered and the Conversion Notice is received by the Corporation (or in the event that no surrender of the Certificate is required, then only upon the receipt by the Corporation of the Conversion Notice) (the "Conversion Documents"), and the person or entity whose name is noted on the certificate evidencing such shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock at and after such time. In the event that the Conversion Notice is sent via facsimile transmission, the Corporation shall be deemed to have received such Conversion Notice on the first business day on which such facsimile Conversion Notice is actually received. If the Corporation fails to deliver to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion within seven (7) business days after receipt by the Corporation from the holder of an appropriate and timely Conversion Notice and certificates pursuant to the terms of this Section 4.3 ("Seven (7) Business Day Period"), then, upon the written demand of RBB Bank Aktiengesellschaft ("RBB Bank"), the holder of the Series 6 Class F Preferred Stock, for payment of the penalty described below in this Section 4.3, which demand must be received by the Corporation no later than ten (10) calendar days after the expiration of such Seven (7) Business Day Period, the Corporation shall pay to RBB Bank the following penalty for each business day after the Seven (7) Business Day Period until the Corporation delivers to the holder or its agent the certificate representing the shares of Common Stock that

the holder is entitled to receive as a result of such conversion: business day eight (8) - U.S. \$1,000; business day nine (9) - U.S. \$2,000, and each business day thereafter an amount equal to the penalty due on the immediately preceding business day times two (2) until the Corporation delivers to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion.

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4.4 Merger or Consolidation. In case of either (a) any merger or consolidation to which the Corporation is a party (collectively, the "Merger"), other than a Merger in which the Corporation is the surviving or continuing corporation, or (b) any sale or conveyance to another corporation of all, or substantially all, of the assets of the Corporation (collectively, the "Sale"), and such Merger or Sale becomes effective (x) while any shares of Series 6 Class F Preferred Stock are outstanding and prior to the date that the Corporation's Registration Statement covering up to 1,379,500 shares of Common Stock issuable upon the conversion of the Series 6 Class F Preferred Stock is declared effective by the U. S. Securities and Exchange Commission or (y) prior to the end of the restriction periods in Section 4.1, then, in such event, the Corporation or such successor corporation, as the case may be, shall make appropriate provision so that the holder of each share of Series 6 Class F Preferred Stock then outstanding shall have the right to convert such share of Series 6 Class F Preferred Stock into the kind and amount of shares of stock or other securities and property receivable upon such Merger or Sale by a holder of the number of shares of Common Stock into which such shares of Series 6 Class F Preferred Stock could have been converted into immediately prior to such Merger or Sale, subject to adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Part 4.

4.5 Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. If the Corporation at any time or from time to time while shares of Series 6 Class F Preferred Stock are issued and outstanding shall declare or pay, without consideration any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

4.6 Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series 6 Class F Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.4 hereof), the Conversion Price shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series 6 Class F Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Series 6 Class F Preferred Stock would otherwise have been entitled to

receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series 6 Class F Preferred Stock immediately before that change.

4.7 **Common Stock Duly Issued**. All Common Stock which may be issued upon conversion of Series 6 Class F Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

4.8 **Notice of Adjustments**. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Part 4, the Corporation, at its expense, within a reasonable period of time, shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series 6 Class F Preferred Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment is based.

4.9 **Issue Taxes**. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of the Series 6 Class F Preferred Stock pursuant thereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder of Series 6 Class F Preferred Stock in connection with such conversion.

4.10 **Reservation of Stock Issuable Upon Conversion**. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series 6 Class F Preferred Stock, such number of its shares of Common Stock as shall, from time to time, be sufficient to effect the conversion of all outstanding shares of the Series 6 Class F Preferred stock, and, if at any time, the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series 6 Class F Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to its Certificate of Incorporation.

4.11 **Fractional Shares**. No fractional shares shall be issued upon the conversion of any share or shares of Series 6 Class F Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series 6 Class F Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after

the aforementioned aggregation, the conversion would result in the issuance of a fractional share of Common Stock, such fractional share shall be rounded up to the nearest whole share.

4.12 **Notices.** Any notices required by the provisions of this Part 4 to be given to the holders of shares of Series 6 Class F Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

4.13 **Business Day.** As used herein, the term "business day" shall mean any day other than a Saturday, Sunday or a day when the federal and state banks located in the State of New York are required or is permitted to close.

Part 5 - Redemption.

5.1 **Redemption at Corporation's Option.** Except as otherwise provided in this Section 5.1, at any time, and from time to time, after the expiration of one (1) year from June 9, 1997, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, at any time, and from time to time, the then outstanding Series 6 Class F Preferred Stock at the following cash redemption prices per share (the "Redemption Price") if redeemed during the following periods: (a) within four years from June 9, 1997 - \$1,300 per share, if at any time during such four year period the average of the closing bid price of the Common Stock for ten consecutive trading days shall be in excess of Four Dollars (\$4.00) per share, and (b) after four years from June 9, 1997 - \$1,000 per share.

5.2 **Mechanics of Redemption.** Thirty days prior to any date stipulated by the Corporation for the redemption of Series 6 Class F Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 6 Class F Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 6 Class F Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 6 Class F Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series 6 Class F Preferred Stock to be redeemed as provided in this Part 5 and, if the Redemption Notice is mailed to the Holder after the first 180 days from the date of issuance of the Series 6 Class F Preferred Stock, the number of shares to be converted into Common Stock as provided in Part 4 hereof.

5.3 **Rights of Conversion Upon Redemption.** If the redemption occurs after the first 180 days after the first issuance of Series 6 Class F Preferred Stock, then, upon receipt of the Redemption Notice, any holder of

Series 6 Class F Preferred Stock shall have the option, at its sole election, to specify what portion of its Series 6 Class F Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 5 or converted into Common Stock in the manner provided in Part 4 hereof, except that, notwithstanding any provision of such Part 4 to the contrary, such holder shall have the right to convert into Common Stock that number of Series 6 Class F Preferred Stock called for redemption in the Redemption Notice.

5.4 **Surrender of Certificates.** On or before the Redemption Date in respect of any Series 6

Class F Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 5.6 hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall be canceled and retired. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 6 Class F Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

5.5 Payment. On the Redemption Date in respect of any Series 6 Class F Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all such shares called from redemption (less the aggregate Redemption Price for those Series 6 Class F Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Series 6 Class F Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the Redemption Price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

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Part 6 - Parity with Other Shares of Series 6 Class F Preferred Stock and Priority.

6.1 Rateable Participation. If any cumulative dividends or return of capital in respect of Series 6 Class F Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

6.2 Ranking. For purposes of this resolution, any stock of any class or series of the Corporation shall be deemed to rank:

6.2.1 Prior or senior to the shares of this Series 6 Class F Preferred Stock either as to dividends or

upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of this Series 6 Class F Preferred Stock;

6.2.2 On a parity with, or equal to, shares of this Series 6 Class F Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share or sinking fund provisions, if any, are different from those of this Series 6 Class F Preferred Stock, if the holders of such stock are entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and over the other, as between the holders of such stock and the holders of shares of this Series 6 Class F Preferred Stock; and,

6.2.3 Junior to shares of this Series 6 Class F Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock or if the holders of shares of this Series 6 Class F Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or series.

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Part 7 - Amendment and Reissue.

7.1 **Amendment.** If any proposed amendment to the Corporation's Certificate of Incorporation (the "Articles") would alter or change the powers, preferences or special rights of the Series 6 Class F Preferred Stock so as to affect such adversely, then the Corporation must obtain the affirmative vote of such amendment to the Articles at a duly called and held series meeting of the holders of the Series 6 Class F Preferred Stock or written consent by the holders of a majority of the Series 6 Class F Preferred Stock then outstanding. Notwithstanding the above or the provisions of the GCL, the number of authorized shares of any class or classes of stock of the Corporation may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of the provisions of this Section 7.1 or Section 242 of the GCL.

7.2 **Authorized.** Any shares of Series 6 Class F Preferred Stock acquired by the Corporation by reason of purchase, conversion, redemption or otherwise shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred Stock hereafter created.

**CERTIFICATE OF DESIGNATIONS
OF SERIES 7 CLASS G CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 7 Class G Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 7 Class G Convertible Preferred Stock as set forth in the attached resolutions.

Dated: November 12, 1997

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

By /s/ Louis F. Centofanti

Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecy
Richard T. Kelecy, Secretary

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")

RESOLUTION OF THE BOARD OF DIRECTORS

**FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 7 CLASS G CONVERTIBLE PREFERRED STOCK**

WHEREAS, the Corporation's capital includes preferred stock, par value \$.001 per share ("Preferred Stock"), which Preferred Stock may be issued in one or more series by resolutions adopted by the directors, and with the directors being entitled by resolution to fix the number of shares in each series and to designate the rights, designations, preferences and relative, participating, optional or other special rights and privileges, restrictions and conditions attaching to the shares of each such series;

WHEREAS, it is in the best interests of the Corporation for the Board to create a new series from the Preferred Stock designated as the Series 7 Class G Convertible Preferred Stock, par value \$.001 per share (the "Series 7 Class G Preferred Stock");

NOW, THEREFORE, BE IT RESOLVED, that the Series 7 Class G Preferred Stock shall consist of three hundred (350) shares and no more and shall be designated as the Series 7 Class G Convertible Preferred Stock, and the preferences, rights, privileges, restrictions and conditions attaching to the Series 7 Class G Preferred Stock shall be as follows:

Part 1 - Voting and Preemptive Rights.

1.1 **Voting Rights.** Except as otherwise provided in Section 242(b)(2) of the General Corporation Law of the State of Delaware (the "GCL"), the holders of the Series 7 Class G Preferred Stock shall have no voting rights whatsoever. To the extent that under Section 242(b)(2) of the GCL the vote of the holders of the Series 7 Class G Preferred Stock, voting separately as a class or series as applicable, is required to authorize a given action of the Corporation, the affirmative vote or consent of the holders of at least a majority of the shares of the Series 7 Class G Preferred Stock represented at a duly held meeting at which a quorum is present or by written consent of a majority of the shares of Series 7 Class G Preferred Stock (except as otherwise may be required under the GCL) shall constitute the approval of such action by the series. To the extent that under Section 242(b)(2) of the GCL the holders of the Series 7 Class G Preferred Stock are entitled to vote on a matter, each share of the Series 7 Class G Preferred Stock shall be entitled one (1) vote for each outstanding share of Series 7 Class G Preferred Stock. Holders of the Series 7 Class G Preferred Stock shall be entitled to notice of (and copies of proxy materials and other information sent to stockholders) for all shareholder meetings or written consents with respect to which they would be entitled to vote, which notice

would be provided pursuant to the Corporation's bylaws and applicable statutes. If the holders of the Series 7 Class G Preferred Stock are required to vote under Section 242(b)(2) of the GCL as a result of the number of authorized shares of any such class or classes of stock being increased or decreased, the number of authorized shares of any of such class or classes of stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, irrespective of the provisions of Section 242(b)(2) of the GCL.

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1.2 No Preemptive Rights. The Series 7 Class G Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

Part 2 - Liquidation Rights.

2.1 Liquidation. If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any shares of the Series 7 Class G Preferred Stock shall be outstanding, the holders of the then outstanding Series 7 Class G Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to shareholders an amount equal to \$1,000 consideration per outstanding share of Series 7 Class G Preferred Stock, and no more, plus an amount equal to all unpaid dividends accrued thereon to the date of payment of such distribution ("Liquidation Preference"), whether or not declared by the Board of Directors, before any payment shall be made or any assets distributed to the holders of the Corporation's Common Stock.

2.2 Payment of Liquidation Preferences. Subject to the provisions of Part 6 hereof, all amounts to be paid as Liquidation Preference to the holders of Series 7 Class G Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of the Corporation's Common Stock, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

2.3 No Rights After Payment. After the payment to the holders of the shares of the Series 7 Class G Preferred Stock of the full Liquidation Preference amounts provided for in this Part 2, the holders of the Series 7 Class G Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

2.4 Assets Insufficient to Pay Full Liquidation Preference. In the event that the assets of the Corporation available for distribution to the holders of shares of the Series 7 Class G Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to this Part 2, no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series 7 Class G Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series 7 Class G Preferred Stock and shares of such other class or series ranking on a parity with the shares of this Series 7 Class G Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all

such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

Part 3 - Dividends.

3.1 The holders of the Series 7 Class G Preferred Stock are entitled to receive if, when and as declared by the Board of Directors of the Corporation (the "Board") out of funds legally available therefor, cumulative annual

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dividends, payable in cash or Common Stock of the Corporation, par value \$.001 per share (the "Common Stock"), or any combination thereof, at the Corporation's election, at the rate of four percent (4%) per annum of the Liquidation Value (as defined below) of each issued and outstanding share of Series 7 Class G Preferred Stock (the "Dividend Rate"). The Liquidation Value of the Series 7 Class G Preferred Stock shall be \$1,000 per outstanding share of the Series 7 Class G Preferred Stock (the "Liquidation Value"). The dividend is payable semi-annually within seven (7) business days after each of December 31 and June 30 of each year, commencing December 31, 1997 (each, a "Dividend Declaration Date"). Dividends shall be paid only with respect to shares of Series 7 Class G Preferred Stock actually issued and outstanding on a Dividend Declaration Date and to holders of record of the Series 7 Class G Preferred Stock as of the Dividend Declaration Date. Dividends shall accrue from the first day of the semi-annual period in which such dividend may be payable, except with respect to the first semi-annual dividend which shall accrue from the date of issuance of the Series 7 Class G Preferred Stock. In the event that the Corporation elects to pay the accrued dividends due as of a Dividend Declaration Date on an outstanding share of the Series 7 Class G Preferred Stock in Common Stock of the Corporation, the holder of such share shall receive that number of shares of Common Stock of the Corporation equal to the product of (a) the quotient of (i) the Dividend Rate divided by (ii) the average of the closing bid quotation of the Corporation's Common Stock as reported on the National Association of Securities Dealers Automated Quotation system ("NASDAQ"), or the average closing sale price if listed on a national securities exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"), times (b) a fraction, the numerator of which is the number of days elapsed during the period for which the dividend is to be paid, and the denominator of which is 365. Dividends on the Series 7 Class G Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Corporation's Common Stock until all accrued and unpaid dividends on all outstanding shares of Series 7 Class G Preferred Stock shall have been paid or declared and set aside for payment.

Part 4 - Conversion. The holders of the Series 7 Class G Preferred Stock shall have rights to convert the shares of Series 7 Class G Preferred Stock into shares of the Corporation's Common Stock, as follows (the "Conversion Rights"):

4.1 **Right to Convert.** The Series 7 Class G Preferred Stock shall be convertible into shares of Common Stock, as follows:

4.1.1 Up to one hundred seventy-five (175) shares of Series 7 Class G Preferred Stock may be converted at the Conversion Price (as that term is defined in Section 4.2 below) at any time on or after November 3, 1997; and,

4.1.2 Up to an additional one hundred seventy-five (175) shares of Series 7 Class G Preferred Stock may be converted at the Conversion Price at any time on or after December 3, 1997.

4.2 Conversion Price. Subject to the terms hereof, as used herein, the Conversion Price per outstanding share of Series 7 Class G Preferred Stock shall be \$1.8125 except that, in the event the average closing bid price per share of the Common Stock for 20 of any 30 consecutive trading days (a "30 Day Period") after March 1, 1998 shall be less than \$2.50 as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange and if the holders of the Series 7 Class G Preferred Stock have engaged in no sales of Common Stock of the Company during, and for 30 trading days prior to, the applicable 30 Day Period, the Conversion Price shall thereafter be the product of the lesser of (i) the average closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five trading days immediately preceding the date of the Conversion Notice referred to in Section 4.3 below multiplied by eighty percent (80%) or (ii) \$1.8125. Notwithstanding the foregoing, the Conversion Price shall not be less than a minimum of \$.75 per share ("Minimum Conversion Price"), which Minimum Conversion Price shall be eliminated from and after September 6, 1998. If any of the outstanding shares of Series 7 Class G Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Part 4, the number of shares of whole Common Stock to be issued to the holder as a result of such conversion shall be determined by dividing (a) the aggregate Liquidation Value of the Series 7 Class G Preferred Stock so surrendered for conversion by (b) the Conversion Price as of such conversion. At the time of conversion of shares of the Series 7 Class G Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of whole shares of Common Stock which is equal to the quotient of the amount of such unpaid and accrued dividends to the date of conversion on the shares of Series 7 Class G Preferred Stock so converted divided by the Stock Dividend Price, as defined in Part 3 hereof, in effect at the date of conversion.

4.5 Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series 7 Class G Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.4 hereof), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series 7 Class G Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Series 7 Class G Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series 7 Class G Preferred Stock immediately before that change.

4.6 **Common Stock Duly Issued.** All Common Stock which may be issued upon conversion of Series 7 Class G Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

4.7 **Notice of Adjustments.** Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Part 4, the Corporation, at its expense, within a reasonable period of time, shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series 7 Class G Preferred Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment is based.

4.8 **Issue Taxes.** The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of the Series 7 Class G Preferred Stock pursuant thereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder of Series 7 Class G Preferred Stock in connection with such conversion.

4.9 **Reservation of Stock Issuable Upon Conversion.** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series 7 Class G Preferred Stock, such number of its shares of Common Stock as shall, from time to time, be sufficient to effect the conversion of all outstanding shares of the Series 7 Class G Preferred stock, and, if at any time, the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series 7 Class G Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to its Certificate of Incorporation.

4.10 **Fractional Shares.** No fractional shares shall be issued upon the conversion of any share or shares of Series 7 Class G Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series 7 Class G Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fractional share of Common Stock, such fractional share shall be rounded up to the nearest whole share.

4.11 **Notices.** Any notices required by the provisions of this Part 4 to be given to the holders of shares of Series 7 Class G Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

4.12 **Business Day.** As used herein, the term "business day" shall mean any day other than a Saturday, Sunday or a day when the federal and state banks located in the State of New York are required or is permitted to close.

Part 5 - Redemption.

5.1 Redemption at Corporation's Option. Except as otherwise provided in this Section 5.1, at any time, and from time to time, after the expiration of one (1) year from the date of the first issuance of the Series 7 Class G Preferred Stock, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, at any time, and from time to time, the then outstanding Series 7 Class G Preferred Stock at the following cash redemption prices per share (the "Redemption Price") if redeemed during the following periods: (a) within four (4) years from the date of the first issuance of Series 7 Class G Preferred Stock - - \$1,300 per share, if at any time during such four (4) year period the average of the closing bid price of the Common Stock for ten (10) consecutive trading days shall be in excess of Four U.S. Dollars (\$4.00) per share, and (b) after four (4) years from the date of the first issuance of Series 7 Class G Preferred Stock - \$1,000 per share.

5.3 Mechanics of Redemption. Thirty (30) days prior to any date stipulated by the Corporation for the redemption of Series 7 Class G Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 7 Class G Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 7 Class G Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 7 Class G Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series 7 Class G Preferred Stock to be redeemed as provided in this Part 5.

5.4 Rights of Conversion Upon Redemption. If the redemption occurs after the first one hundred eighty (180) days after the first issuance of Series 7 Class G Preferred Stock, then, upon receipt of the Redemption Notice, any holder of Series 7 Class G Preferred Stock shall have the option, at its sole election, to specify what portion of its Series 7 Class G Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 5 or converted into Common Stock in the manner provided in Part 4 hereof, except that, notwithstanding any provision of such Part 4 to the contrary,

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such holder shall have the right to convert into Common Stock that number of Series 7 Class G Preferred Stock called for redemption in the Redemption Notice.

5.5 Surrender of Certificates. On or before the Redemption Date in respect of any Series 7 Class G Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 5.6 hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 7 Class G Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

5.6 **Payment.** On the Redemption Date in respect of any Series 7 Class G Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least U. S. \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all such shares called from redemption (less the aggregate Redemption Price for those Series 7 Class G Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Series 7 Class G Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the Redemption Price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

Part 6 - Parity with Other Shares of Series 7 Class G Preferred Stock and Priority.

6.1 **Rateable Participation.** If any cumulative dividends or return of capital in respect of Series 7 Class G Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

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6.2 **Ranking.** For purposes of this resolution, any stock of any class or series of the Corporation shall be deemed to rank:

- 6.2.1 Prior or senior to the shares of this Series 7 Class G Preferred Stock either as to dividends
or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of this Series 7 Class G Preferred Stock;
- 6.2.2 On a parity with, or equal to, shares of this Series 7 Class G Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates,
or redemption or liquidation prices per share or sinking fund provisions, if any, are different from those of this Series 7 Class G Preferred Stock, if the holders of such stock are entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and over the other, as between the holders of such stock and the holders of shares of this Series 7 Class G Preferred Stock; and,

6.2.3 Junior to shares of this Series 7 Class G Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock or if the holders of shares of this Series 7 Class G Preferred stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or series.

Part 7 - Amendment and Reissue.

7.1 **Amendment.** If any proposed amendment to the Corporation's Certificate of Incorporation (the "Articles") would alter or change the powers, preferences or special rights of the Series 7 Class G Preferred Stock so as to affect such adversely, then the Corporation must obtain the affirmative vote of such amendment to the Articles at a duly called and held series meeting of the holders of the Series 7 Class G Preferred Stock then outstanding. Notwithstanding the above or the provisions of the GCL, the number of authorized shares of any class or classes of stock of the Corporation may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority

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of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of the provisions of this Section 7.1 or Section 242 of the GCL.

7.2 **Authorized.** Any shares of Series 7 Class G Preferred Stock acquired by the Corporation by reason of purchase, conversion, redemption or otherwise shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred Stock hereafter created.

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CERTIFICATE OF ELIMINATION
OF
SERIES 4 CLASS D CONVERTIBLE PREFERRED STOCK
AND
SERIES 5 CLASS E CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.

PERMA-FIX ENVIRONMENTAL SERVICES, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies the following:

1. That the Certificate of Designations of Series 4 Class D Convertible Preferred Stock of the Corporation (the "Series 4 Preferred") was filed on June 11, 1997 (the "Series 4 Certificate of Designations").

2. That all outstanding shares of the Series 4 Preferred have been delivered to the Company and exchanged upon agreement with the holder thereof pursuant to the terms and conditions of a certain Exchange Agreement between the Company and RBB Bank Aktiengesellschaft, dated effective as of September 16, 1997.

3. That no shares of Series 4 Preferred remain outstanding.

4. That all shares of the Series 4 Preferred which have been exchanged have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

5. That effective September 16, 1997, the Board of Directors of the Company duly adopted the following resolutions:

RESOLVED, that upon completion of the exchange with the holder of the Series 4 Class D Convertible Preferred Stock, no authorized shares of Series 4 Class D Convertible Preferred Stock will remain outstanding and no shares of Series 4 Class D Convertible Preferred Stock will be issued subject to the Certificate of Designations previously filed with respect to the Series 4 Class D Convertible Preferred Stock.

FURTHER RESOLVED, that upon completion of the exchange, the officers of the Company are hereby authorized and directed, for and on behalf of the Company, to execute and deliver an appropriate Certificate

of Elimination to the Secretary of State of Delaware regarding the Series 4 Class D Convertible Preferred Stock.

6. That the Certificate of Designations of the Series 5 Class E Convertible Preferred Stock of the Corporation (the "Series 5 Preferred") was filed on July 14, 1997 (the "Series 5 Certificate

of Designations").

7. That all outstanding shares of the Series 5 Preferred have been delivered to the Company and exchanged upon agreement with the holder thereof pursuant to the terms and conditions of a certain Exchange Agreement between the Company and The Infinity Fund, L.P., dated effective as of September 16, 1997.

8. That no shares of Series 5 Preferred remain outstanding.

9. That all shares of the Series 5 Preferred which have been exchanged have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

10. That effective September 16, 1997, the Board of Directors of the Company duly adopted the following resolutions:

RESOLVED, that upon completion of the exchange with the holder of the Series 5 Class E Convertible Preferred Stock, no authorized shares of Series 5 Class E Convertible Preferred Stock will remain outstanding and no shares of Series 5 Class E Convertible Preferred Stock will be issued subject to the Certificate of Designations previously filed with respect to the Series 5 Class E Convertible Preferred Stock.

FURTHER RESOLVED, that upon completion of the exchange, the officers of the Company are hereby authorized and directed, for and on behalf of the Company, to execute and deliver an appropriate Certificate of Elimination to the Secretary of State of Delaware regarding the Series 5 Class E Convertible Preferred Stock.

11. That pursuant to the provisions of Section 151(g) of the Delaware General Corporation Law, upon the effective date of the filing of this Certificate, this Certificate will have the effect of eliminating from the Restated Certificate of Incorporation only those matters set forth in the Restated Certificate of Incorporation with respect to the Series 4 Class D Convertible Preferred Stock and the Series 5 Class E Convertible Preferred Stock.

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IN WITNESS WHEREOF, this Certificate of Elimination has been executed this 20th day of November, 1997, by the President of the Company.

ATTEST:

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

/s/ Richard T. Kelecyc
Richard T. Kelecyc, Secretary

By /s/ Louis Centofanti
Dr. Louis F. Centofanti,
President

(SEAL)

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 12:00 PM 07/10/1998
981268436 -- 2249849

**CERTIFICATE OF DESIGNATIONS
OF RIGHTS AND PREFERENCES OF THE
SERIES 10 CLASS J CONVERTIBLE PREFERRED STOCK OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

We, being respectively the President and Secretary of Perma-Fix Environmental Services, Inc. a corporation organized and existing under the laws of the State of Delaware (hereinafter the "Corporation"), DO HEREBY CERTIFY:

FIRST:

That pursuant to authority expressly granted and vested in the Board of Directors of said Corporation under Section 151 of the Delaware General Corporation Law (the "GCL"), and the provisions of the Corporation's Restated Certificate of Incorporation, said Board of Directors, on June 30th, 1998 (the "Closing Date"), adopted the following resolution setting forth the designations, powers, preferences and rights of its Series 10 Class J Convertible Preferred Stock (the "Certificate of Designations").

RESOLVED: That the designations, powers, preferences and rights of the Series 10 Class J Convertible Preferred Stock be, and they hereby are, as set forth below:

1. Number of Shares of Common Stock of Series 10 Class J Convertible Preferred Stock

The Corporation hereby authorizes the issuance of up to 3,000 (three thousand,) shares of Series 10 Class J Convertible Preferred Stock par value \$.001 per share (the "Preferred Stock"). This Preferred Stock shall pay an annual dividend based on a 365 day calendar year of 4% of the Liquidation Value (as defined in Section 3 hereof) ("Dividend Rate"), payable semiannually within ten (10) business days after each subsequent June 30th and December 31st (each a

"Dividend Declaration Date"), and shall be payable in cash or shares of the Corporation's par value \$.001 per share common stock (Common Stock) at the Corporation's option. The first Dividend Declaration Date shall be December 31st, 1998.

In the event that the Corporation elects to pay the accrued dividends due as of a Dividend Declaration Date on the outstanding shares of Preferred Stock in Common Stock of the Corporation, the Holder of each share of Preferred Stock shall receive that number of shares of Common Stock equal to the product of (a) the quotient of (i) the Dividend Rate divided by (ii) the average of the closing bid quotation of the Corporation's Common Stock as reported on the National Association of Securities Dealers Automated Quotation system ("NASDAQ"), or if the Common Stock is not listed for trading on a national

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securities exchange, the average closing bid price of the Common Stock as quoted on such national exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"), times (b) a fraction, the numerator of which is the number of days elapsed during the period for which the dividend is to be paid, and the denominator of which is 365. Dividends on the Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Corporation's Common Stock until all accrued and unpaid dividends on all outstanding shares of Preferred Stock shall have been paid or declared and set aside for payment.

2. Voting.

(a) Except as provided under Section 242 of the GCL, holders of Preferred Stock (the "Holders") shall not have the right to vote on any matter. Notwithstanding the provisions of Section 242 of the GCL or Section 4 hereof, the number of authorized shares of any class or classes of stock of the Corporation may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of the provisions of Section 242 of the GCL.

3. Liquidation.

In the event of a voluntary or involuntary dissolution, liquidation, or winding up of the Corporation, the Holders of Preferred Stock shall be entitled to receive out of the assets of the Corporation legally available for distribution to holders of its capital stock, before any payment or distribution shall be made to holders of shares of Common Stock or any other class of stock ranking junior to the Preferred Stock, an amount per share of Preferred Stock equal to \$1,000 (the "Liquidation Value") plus any accrued and unpaid dividends on the Preferred Stock. If upon such liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, the assets to be distributed among the Holders of Preferred Stock shall be insufficient to permit payment to the Holders of Preferred Stock of the amount distributable as aforesaid, then the entire assets of the Corporation to be so distributed shall be distributed ratably among the Holders of Preferred Stock and shares of such other classes or series ranking on a parity with the shares of this Preferred Stock in proportion to the full distributable amounts for which holders of all such parity shares are entitled upon such distribution, liquidation, or winding up. Upon any such liquidation, dissolution or winding up of the Corporation, after the Holders of Preferred Stock shall have been paid in full the amounts to which they shall be entitled, the remaining net assets of the Corporation may be

distributed to the holders of stock ranking on liquidation junior to the Preferred Stock and the Holders of the Preferred Stock shall have no right or claim to any of the remaining assets of the Corporation. Written notice of such liquidation, dissolution or winding up, stating a payment date, the amount of the liquidation payments and the place

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where said liquidation payments shall be payable, shall be given by mail, postage prepaid or by telex or facsimile to non-U.S. residents, not less than 10 days prior to the payment date stated therein, to the Holders of record of Preferred Stock, such notice to be addressed to each such Holder at its address as shown by the records of the Corporation. For purposes hereof the shares of Common Stock, shall rank on liquidation junior to the Preferred Stock.

4. Restrictions.

The Corporation will not amend or modify the terms of its Restated Certificate of Incorporation so as to adversely alter or change the Preferred Stock at any time when shares of Preferred Stock are outstanding, without the approval of the Holders of at least a majority of the then outstanding shares of Preferred Stock given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a series, except where the vote or written consent of the Holders of a greater number of shares of Common Stock of the Corporation is required by law or by the Corporation's Certificate of Incorporation, as amended.

5. Optional Conversion.

The Holders of shares of Preferred Stock shall have the following conversion rights to convert the shares of Preferred Stock into shares of Common Stock of the Corporation:

- (a) **Conversion Dates.** The Holder of any share or shares of Preferred Stock may convert cumulatively any of such Preferred Stock at any time subsequent to 180 days after the Closing Date.
- (b) **Right to Convert; Conversion Price.** Subject to the terms hereof, as used herein, the term Conversion Price per outstanding share of Preferred Stock shall be One Dollar and 875/1000 (\$1.875); except that after the expiration of one hundred and eighty (180) days after the Closing Date if the average of the closing bid price per share of Common Stock quoted on the NASDAQ (or the closing bid price of the Common Stock as quoted on the national securities exchange if the Common Stock is not listed for trading on the NASDAQ but is listed for trading on a national securities exchange) for the five (5) trading days immediately prior to the particular date of each Conversion Notice (as defined below) is less than Two Dollars and 34/100 (\$2.34), then the Conversion Price for that particular conversion shall be eighty percent (80%) of the average of the closing bid price of the Common Stock on the NASDAQ (or if the Common Stock is not listed for trading on the NASDAQ but is listed for trading on a national securities exchange then eighty percent (80%) of the average of the closing bid price of the Common Stock on the national securities exchange) for the five (5) trading days immediately prior to the particular date of the Conversion Notice. If any of the outstanding shares of Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Section 5(b), the number of shares of whole Common Stock to be issued to the Holder as a result of such conversion shall be

determined

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by dividing (a) the aggregate Stated Value of the Preferred Stock so surrendered for conversion by (b) the Conversion Price in effect on the date of that particular Conversion Notice relating to such conversion. At the time of conversion of shares of the Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon on the shares of Preferred so converted to the date of the Conversion Notice relating to such conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of shares of whole Common Stock which is equal to the quotient of the amount of such unpaid and accrued dividends to the date of the Conversion Notice relating to such conversion of the shares of Preferred Stock so converted divided by the Stock Dividend Price, in effect at the date of the Conversion Notice relating to such conversion.

(c) **Conversion Notice.** The right of conversion shall be exercised by the Holder thereof by telecopying or faxing an executed and completed written notice signed by an authorized representative of the Holder, ("Conversion Notice") to the Corporation that the Holder elects to convert a specified number of shares of Preferred Stock representing a specified Stated Value thereof into shares of Common Stock and by delivering by express courier the certificate or certificates of Preferred Stock being converted to the Corporation at its principal office (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the Holders of the Preferred Stock). The business date indicated on a Conversion Notice which is telecopied to and received by the Corporation in accordance with the provisions hereof shall be deemed a Conversion Date. The Conversion Notice shall include therein the Stated Value of shares of Preferred Stock to be converted, and a calculation (a) of the Stock Dividend Price, (b) the Conversion Price, and (c) the number of Shares of Common Stock to be issued in connection with such conversion. The Corporation shall have the right to review the calculations included in the Conversion Notice, and shall provide notice of any discrepancy or dispute therewith within three (3) business days of the receipt thereof. The Holder shall deliver to the Corporation an original Conversion Notice and the original Preferred to be converted within three (3) business days from the date of the Conversion Notice.

(d) **Issuance of Certificates - Time Conversion Effected.** Promptly, but in no event more than six (6) business days, after the receipt by facsimile of the Conversion Notice referred to in Subparagraph (5)(c); and provided within the six (6) business days the Corporation receives the certificate or certificates for the shares of Preferred Stock to be converted, the Corporation shall issue and deliver, or cause to be issued and delivered, to the Holder, registered in the name of the Holder, a certificate or certificates for the number of whole shares of Common Stock into which such shares of Preferred Stock are converted. Such conversion shall be deemed to have been effected as of the close of business on the date on which the telecopy or facsimile Conversion Notice shall have been received by the Corporation, and the rights of the Holder of such share or shares of Preferred Stock shall cease, at such time, and the Holder or Holders shall be deemed to have become the Holder or Holders of record of the shares of Common Stock represented thereby.

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In the event that the shares of Common Stock issuable upon conversion of the Preferred, is not delivered within six (6) business days of the date the Company receives the Conversion Notice, the Company shall pay to the Buyer, by wire transfer, as liquidated damages for such failure and not as a penalty, for each \$100,000 of Preferred sought to be converted, \$500 for each of the first five (5) calendar days and \$1,000 per calendar day thereafter that the shares of Common Stock are not delivered, which liquidated damages shall begin to run from the seventh (7th) business day after the Conversion Date. Any and all payments required pursuant to this paragraph shall be payable only in cash. Notwithstanding the above, liquidated damages shall not exceed \$2,000.00 per day. In addition to the liquidated damages set forth herein, in the event the Company fails to deliver the shares of Common Stock within six (6) business days after the Conversion date, the Company agrees to issue the larger number of shares of Common Stock derived from (i) the original Conversion Notice, or (ii) utilizing the five lowest closing bid prices of the Company's shares of Common Stock beginning on the Conversion Date and ending on the day the shares of Common Stock are delivered. The Company understands that a delay in the issuance of the shares of Common Stock could result in economic loss to the Holder. Nothing contained herein, or in the Preferred shall limit the Holder's rights to pursue actual damages for the Company's failure to issue and deliver shares of Common Stock to the Holder in accordance with the terms of the Certificate of Designations, and this Agreement.

(e) **Fractional Shares of Common Stock.** No fractional shares of Common Stock shall be issued upon conversion of any Preferred Stock into shares of Common Stock. All fractional shares of Common Stock shall be aggregated and then rounded down to the nearest whole share of Common Stock. In case the number of shares of Preferred Stock represented by the certificate or certificates surrendered pursuant to Subparagraph 5(b) exceeds the number of shares of Common Stock converted, the Corporation shall, upon such conversion, execute and deliver to the Holder, at the expense of the Corporation, a new certificate or certificates for the number of shares of Preferred Stock represented by the certificate or certificates surrendered which are not to be converted.

(f) **Merger or Consolidation.** In case of either (a) any merger or consolidation to which the Corporation is a party (collectively, the "Merger"), other than a Merger in which the Corporation is the surviving or continuing corporation, or (b) any sale or conveyance to another corporation of all, or substantially all, of the assets of the Corporation (collectively, the "Sale"), and such Merger or Sale becomes effective (x) while any shares of Preferred Stock are outstanding and prior to the date that the Corporation's Registration Statement covering all the shares of Common Stock issuable upon the conversion of the Preferred Stock is declared effective by the U.S. Securities and Exchange Commission ("Commission"), the Corporation or such successor corporation as the case may be, shall make appropriate provision so that the Holder of each share of Preferred Stock then outstanding shall have the right to convert such share of Preferred Stock into the kind and amount of shares of stock or other securities and property receivable upon such Merger or Sale by a holder of the number of shares of Common Stock into which such shares of Preferred Stock could have been converted into immediately prior to such Merger or

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Sale, subject to adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 5.

In the event of a Merger or Sale, where the Corporation is not the surviving Corporation, the Holder shall have the right to redeem all of the outstanding shares of Preferred Stock at 120% of the Liquidation Value of each share of Preferred Stock then outstanding plus all accrued and unpaid dividends (the "Redemption Amount"). The Corporation shall pay this Redemption Amount in cash within ten (10) business days of receipt by the Corporation of notice from the Holder, and receipt by the Corporation of all outstanding shares of Preferred Stock duly endorsed by the Holder to the Corporation.

(g) **Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock.** If the Corporation at any time or from time to time while shares of Preferred Stock are issued and outstanding shall declare or pay, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

(h) **Adjustments for Reclassification and Reorganization.** If the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of Common Stock of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination or shares of Common Stock provided for in Section 5(g) hereof), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Preferred Stock would otherwise have been entitled to receive, a number of shares of Common Stock of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Preferred Stock immediately before that change.

6. Assignment.

Subject to all applicable restrictions on transfer, the rights and obligations of the Corporation and the Holder of the Preferred Stock shall be binding upon and benefit the successors, assigns, heirs, administrators, and transferees of the parties.

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7. Shares of Common Stock to be Reserved.

The Corporation, upon the effective date of this Certificate of Designations, has a sufficient number of shares of Common Stock available to reserve for issuance upon the conversion of all outstanding shares of Preferred Stock, pursuant to the terms and conditions set forth in Section 5, and exercise of the Warrants as defined in Section 11. The Corporation will at all times reserve and keep available out of its authorized shares of Common Stock, solely for the purpose of issuance upon the conversion of Preferred Stock, and exercise of the Warrants, as herein provided, such number of shares of Common Stock as shall then be issuable upon the

conversion of all outstanding shares of Preferred Stock, and exercise of the Warrants. The Corporation covenants that all shares of Common Stock which shall be so issued shall be duly and validly issued, fully paid and non assessable. The Corporation will take such action as may be required, if the total number of shares of Common Stock issued and issuable after such action upon conversion of the Preferred Stock, and exercise of the Warrants would exceed the total number of shares of Common Stock then authorized by the Corporation's Certificate of Incorporation, as amended, or would exceed 19.99% of the shares of Common Stock then outstanding if required by law or the Rules and Regulations of NASDAQ or the National Securities Exchange applicable to the Corporation to take such action as a result of exceeding such 19.99%, in order to increase the number of shares of Common Stock to permit the Corporation to issue the number of shares of Common Stock required to effect conversion of the Preferred, and exercise of the Warrants, to a number sufficient to permit conversion of the Preferred Stock, and exercise of the Warrants, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to the Corporation's Restated Certificate of Incorporation, and to obtain shareholders approval in order to effect conversion of the Preferred Stock, and exercise of the Warrants, if required by law or the rules or regulations of the NASDAQ or National Securities Exchange applicable to the Corporation.

7(a) Shareholder Approval. In connection with the issuance to the Holder of the shares of Preferred Stock, pursuant to this Certificate of Designations, the Corporation is also issuing (i) certain warrants ("RBB Warrants") to the Holder pursuant to the terms of that certain Private Securities Subscription Agreement dated June 30th, 1998 (the "Agreement"), providing for the purchase of up to 150,000 shares of Common Stock at an exercise price of \$2.50 per share and (ii) certain warrants (collectively, the "Liviakis Warrants") to Liviakis Financial Communication, Inc. ("Liviakis") and Robert B. Prag providing for the purchase of up to an aggregate of 2,500,000 shares of Common Stock at an exercise price of \$1.875 per share pursuant to the terms of that Placement and Consulting Agreement dated June 30th, 1998, between Liviakis and the Corporation.

If (i) the aggregate number of shares of Common Stock issued by the Corporation as a result of any or all of the following: (a) conversion of the Preferred Stock, (b) payment of dividends accrued on the Preferred Stock (c) exercise of the RBB Warrants, and (d) exercise of the Liviakis Warrants exceeds 2,388,347 shares of Common Stock (which equals 19.9% of the outstanding shares of

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Common Stock of the Corporation as of the date of this Certificate of Designations) and (ii) the Holder has converted or elects to convert any of the then outstanding shares of Preferred Stock pursuant to the terms of this Section 5 at a Conversion Price less than \$1.875 (\$1.875 the market value per share of Common Stock as quoted on the NASDAQ as of the close of business on June 30th, 1998) pursuant to the terms of Section 5(b) hereof, other than if the Conversion Price is less than \$1.875 solely as a result of the anti-dilution provisions of Section 5(g) and (h) hereof, then, notwithstanding anything in Section 5 to the contrary, the Corporation shall not issue any shares of Common Stock as a result of receipt of a Conversion Notice unless and until the Corporation shall have obtained approval of its shareholders entitled to vote on the transactions in accordance with subparagraphs (25)(H)(i)d, (iv) and (v) of Rule 4310 of the NASDAQ Marketplace Rules ("Shareholder Approval").

If Shareholder Approval is required as set forth in the above paragraph, the Corporation shall take all necessary steps to obtain such Shareholder Approval upon receipt of the Conversion Notice triggering the need for Shareholder Approval ("Current Conversion Notice"). If the Corporation has not received from the Holder a Current Conversion Notice, the Holder, subsequent to January 1st, 1999 may, if the Corporation's shares of Common Stock trade, subsequent to January 1st, 1999, at a five (5) day average closing bid price below Two Dollars and 34/100 (\$2.34), upon written notice to the Corporation, require the Corporation to obtain Shareholder Approval ("Holder's Notice"). The Holder and the Corporation's officers and directors covenant to vote all shares of Common Stock over which they have voting control in favour of Shareholder Approval. If the Corporation does not obtain Shareholder Approval within ninety (90) days of the earlier of the Corporation's receipt of (i) the Current Conversion Notice or (ii) the Holder's Notice, and the Holder has not breached its covenant to vote all shares of Common Stock over which they have voting control in favour of Shareholder Approval, the Corporation shall pay in cash to the Holder liquidated damages, in an amount of 4% per month of the Liquidation Value of each share of Preferred Stock then outstanding, commencing on the 91st day of the Corporation's receipt of the Holder's Current Conversion Notice, and continuing every thirty (30) days pro-rata until such time the Corporation receives Shareholder Approval.

8. No Reissuance of Series 10 Class J Convertible Preferred Stock.

Shares of Preferred Stock which are converted into shares of Common Stock as provided herein shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred stock hereafter created.

9. Closing of Books.

The Corporation will at no time close its transfer books against the transfer of any Preferred Stock or of any shares of Common Stock issued or issuable upon the conversion of any shares of

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Common Stock of Preferred Stock in any manner which interferes with the timely conversion of such Preferred Stock, except as may otherwise be required to comply with applicable securities laws.

10. No Preemptive Rights.

The Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

11. Definition of Shares.

As used in this Certificate of Designations, the term "shares of Common Stock" shall mean and include the Corporation's authorized common stock, par value \$.001, as constituted on the date of filing of these terms of the Preferred Stock, or in case of any reorganization, reclassification, or stock split of the outstanding shares of Common Stock thereof, the stock, securities or assets provided for hereof. The term "Warrants" as used herein shall have the same meaning as defined in Section 1 of the Private Securities Subscription Agreement, dated June 30th 1998, between the Company and RBB Bank Aktiengesellschaft.

The said determination of the designations, preferences and relative, participating, optional or

other rights, and the qualifications, limitations or restrictions thereof, relating to the Preferred Stock was duly made by the Board of Directors pursuant to the provisions of the Corporation's Restated Certificate of Incorporation and in accordance with the provisions of the Delaware General Corporation Law.

IN WITNESS HEREOF, this Certificate of Designations has been signed by:

Dr. Louis F. Centofanti, President on this 30th day of June, 1998.

/s/ Louis Centofanti

President, Perma-Fix Environmental Services, Inc.

Richard Kelecy, Secretary on this 30th day of June, 1998

/s/ Richard T. Kelecy

Secretary, Perma-Fix Environmental Services, Inc.

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 01:30 PM 07/16/1998
981277755 -- 2249849

**CERTIFICATE OF ELIMINATION
OF
SERIES 6 CLASS F CONVERTIBLE PREFERRED STOCK
AND
SERIES 7 CLASS G CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

PERMA-FIX ENVIRONMENTAL SERVICES, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies the following:

1. That the Certificate of Designations of Series 6 Class F Convertible Preferred Stock of the Corporation (the "Series 6 Preferred") was filed with the Delaware Secretary of State on November 13, 1997 (the "Series 6 Certificate of Designations").
2. That all outstanding shares of the Series 6 Preferred have been delivered to the Company and exchanged upon agreement with the holder thereof pursuant to the terms and conditions of a certain Second RBB Exchange Agreement between the Company and RBB Bank

Aktiengesellschaft, dated effective as of February 28, 1998.

3. That no shares of Series 6 Preferred remain outstanding.

4. That all shares of the Series 6 Preferred which have been exchanged have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

5. That effective February 28, 1998, the Board of Directors of the Company duly adopted the following resolutions:

RESOLVED, that upon completion of the exchange with the holder of the Series 6 Class F Convertible Preferred Stock, no authorized shares of Series 6 Class F Convertible Preferred Stock will remain outstanding and no shares of Series 6 Class F Convertible Preferred Stock will be issued subject to the Certificate of Designations previously filed with respect to the Series 6 Class F Convertible Preferred Stock.

FURTHER RESOLVED, that upon completion of the exchange, the officers of the Company are hereby authorized and directed, for and on behalf of the Company, to execute and deliver an appropriate Certificate

of Elimination to the Secretary of State of Delaware regarding the Series 6 Class F Convertible Preferred Stock.

6. That the Certificate of Designations of the Series 7 Class G Convertible Preferred Stock of the Corporation (the "Series 7 Preferred") was filed on November 13, 1997 (the "Series 7 Certificate of Designations").

7. That all outstanding shares of the Series 7 Preferred have been delivered to the Company and exchanged upon agreement with the holder thereof pursuant to the terms and conditions of a certain Exchange Agreement between the Company and The Infinity Fund, L.P., dated effective as of February 28, 1998.

8. That no shares of Series 7 Preferred remain outstanding.

9. That all shares of the Series 7 Preferred which have been exchanged have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

10. That effective February 28, 1998, the Board of Directors of the Company duly adopted the following resolutions:

RESOLVED, that upon completion of the exchange with the holder of the Series 7 Class G Convertible Preferred Stock, no authorized shares of Series 7 Class G Convertible Preferred Stock will remain outstanding and no shares of Series 7 Class G Convertible Preferred Stock will be issued

subject to the Certificate of Designations previously filed with respect to the Series 7 Class G Convertible Preferred Stock.

FURTHER RESOLVED, that upon completion of the exchange, the officers of the Company are hereby authorized and directed, for and on behalf of the Company, to execute and deliver an appropriate Certificate of Elimination to the Secretary of State of Delaware regarding the Series 7 Class G Convertible Preferred Stock.

11. That pursuant to the provisions of Section 151(g) of the Delaware General Corporation Law, upon the effective date of the filing of this Certificate, this Certificate will have the effect of eliminating from the Restated Certificate of Incorporation only those matters set forth in the Restated Certificate of Incorporation with respect to the Series 6 Class F Convertible Preferred Stock and the Series 7 Class G Convertible Preferred Stock.

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IN WITNESS WHEREOF, this Certificate of Elimination has been executed this 30th day of April, 1998, by the President of the Company.

ATTEST:

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

/s/ Richard T. Kelecyc
Richard T. Kelecyc, Secretary

By /s/ Louis Centofanti
Dr. Louis F. Centofanti,
President

(SEAL)

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CERTIFICATE OF DESIGNATIONS
OF SERIES 8 CLASS H CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 8 Class H Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 8 Class H Convertible Preferred Stock as set forth in the attached resolutions.

Dated: April 30, 1998

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

By /s/ Louis Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecyc
Richard T. Kelecyc, Secretary

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")

RESOLUTION OF THE BOARD OF DIRECTORS

**FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 8 CLASS H CONVERTIBLE PREFERRED STOCK**

WHEREAS, the Corporation's capital includes preferred stock, par value \$.001 per share ("Preferred Stock"), which Preferred Stock may be issued in one or more series by resolutions adopted by the directors, and with the directors being entitled by resolution to fix the number of shares in each series and to designate the rights, designations, preferences and relative, participating, optional or other special rights and privileges, restrictions and conditions attaching to the shares of each such series;

WHEREAS, it is in the best interests of the Corporation for the Board to create a new series from the Preferred Stock designated as the Series 8 Class H Convertible Preferred Stock, par value \$.001 per share (the "Series 8 Class H Preferred Stock");

NOW, THEREFORE, BE IT RESOLVED, that the Series 8 Class H Preferred Stock shall consist of two thousand five hundred (2,500) shares and no more and shall be designated as the Series 8 Class H Convertible Preferred Stock, and the preferences, rights, privileges, restrictions and conditions attaching to the Series 8 Class H Preferred Stock shall be as follows:

Part 1 - Voting and Preemptive Rights.

1.1 **Voting Rights.** Except as otherwise provided in Part 7 hereof or under Section 242(b)(2) of the General Corporation Law of the State of Delaware (the "GCL"), the holders of the Series 8 Class H Preferred Stock shall have no voting rights whatsoever. To the extent that under Section 242(b)(2) of the GCL or Part 7 hereof, the holders of the Series 8 Class H Preferred Stock are entitled to vote on a matter, each share of the Series 8 Class H Preferred Stock shall be entitled one (1) vote for each outstanding share of Series 8 Class H Preferred Stock. Holders of the Series 8 Class H Preferred Stock shall be entitled to notice of (and copies of proxy materials and other information sent to stockholders) for all shareholder meetings or written consents with respect to which they would be entitled to vote, which notice would be provided pursuant to the Corporation's bylaws and applicable statutes.

1.2 **No Preemptive Rights.** The Series 8 Class H Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

Part 2 - Liquidation Rights.

2.1 **Liquidation.** If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any shares of the Series 8 Class H Preferred Stock shall be outstanding, the holders of the then outstanding Series 8 Class H Preferred Stock shall have a preference in distribution of the Corporation's property available for distribution to the holders of the Corporation's Common Stock equal to \$1,000 consideration per outstanding share of Series 8 Class H Preferred Stock, plus an amount equal to all unpaid dividends accrued thereon to the

date of payment of such distribution ("Liquidation Preference"), whether or not declared by the Board.

2.2 Payment of Liquidation Preferences. Subject to the provisions of Part 6 hereof, all amounts to be paid as Liquidation Preference to the holders of Series 8 Class H Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of the Corporation's Common Stock, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

2.3 No Rights After Payment. After the payment to the holders of the shares of the Series 8 Class H Preferred Stock of the full Liquidation Preference amounts provided for in this Part 2, the holders of the Series 8 Class H Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

2.4 Assets Insufficient to Pay Full Liquidation Preference. In the event that the assets of the Corporation available for distribution to the holders of shares of the Series 8 Class H Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to this Part 2, no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series 8 Class H Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series 8 Class H Preferred Stock and shares of such other class or series ranking on a parity with the shares of this Series 8 Class H Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

Part 3 - Dividends. The holders of the Series 8 Class H Preferred Stock are entitled to receive if, when and as declared by the Board out of funds legally available therefor, cumulative dividends, payable in cash or Common Stock of the Corporation, par value \$.001 per share (the "Common Stock"), or any combination thereof, at the Corporation's election, at the rate of four percent (4%)

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per annum of the Liquidation Value (as defined below) of each issued and outstanding share of Series 8 Class H Preferred Stock (the "Dividend Rate"). The Liquidation Value of the Series 8 Class H Preferred Stock shall be \$1,000 per outstanding share of the Series 8 Class H Preferred Stock (the "Liquidation Value"). The dividend is payable semi-annually within seven (7) business days after each of December 31 and June 30 of each year, commencing June 30, 1998 (each, a "Dividend Declaration Date"). Dividends shall be paid only with respect to shares of Series 8 Class H Preferred Stock actually issued and outstanding on a Dividend Declaration Date and to holders of record of the Series 8 Class H Preferred Stock as of the Dividend Declaration Date. Dividends shall accrue from the first day of the semi-annual period in which such dividend may be payable, except with respect to the first semi-annual dividend which shall accrue from March 1, 1998. In the event that the Corporation elects to pay the accrued dividends due as of a Dividend Declaration Date on an outstanding share of the Series 8 Class H Preferred Stock in Common Stock of the Corporation, the holder of such share shall receive that number of shares of Common Stock of the Corporation equal to the product of (a) the quotient of (i) the Dividend

Rate divided by (ii) the average of the closing bid quotation of the Corporation's Common Stock as reported on the National Association of Securities Dealers Automated Quotation system ("NASDAQ"), or the average closing sale price if listed on a national securities exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"), times (b) a fraction, the numerator of which is the number of days elapsed during the period for which the dividend is to be paid and the denominator of which is 365. Dividends on the Series 8 Class H Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Corporation's Common Stock until all accrued and unpaid dividends on all outstanding shares of Series 8 Class H Preferred Stock shall have been paid or declared and set aside for payment.

Part 4 - Conversion. The holders of the Series 8 Class H Preferred Stock shall have rights to convert the shares of Series 8 Class H Preferred Stock into shares of the Corporation's Common Stock, par value \$.001 per share ("Common Stock"), as follows (the "Conversion Rights"):

4.1 **Right to Convert.** The Series 8 Class H Preferred Stock shall be convertible into shares of Common Stock at any time.

4.2 **Conversion Price.** Subject to the terms hereof, as used herein, the Conversion Price per outstanding share of Series 8 Class H Preferred Stock shall be \$1.8125, except that, in the event the average closing bid price per share of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days prior to the particular date of conversion shall be less than \$2.265, the Conversion Price for only such particular conversion shall be the product of the average closing bid quotation of the Common Stock as

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reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days immediately preceding the date of the Conversion Notice referred to in Section 4.3 below in connection with such conversion multiplied by eighty percent (80%). Notwithstanding the foregoing, the Conversion Price shall not be less than a minimum of \$.75 per share ("Minimum Conversion Price"), which Minimum Conversion Price shall be eliminated from and after September 6, 1998. If any of the outstanding shares of Series 8 Class H Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Part 4, the number of shares of whole Common Stock to be issued to the holder as a result of such conversion shall be determined by dividing (a) the aggregate Liquidation Value of the Series 8 Class H Preferred Stock so surrendered for conversion by (b) the Conversion Price as of such conversion. At the time of conversion of shares of the Series 8 Class H Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of whole shares of Common Stock which is equal to the quotient of the amount of such unpaid and accrued dividends to the date of conversion on the shares of Series 8 Class H Preferred Stock so converted divided by the Stock Dividend Price, as defined in Part 3 hereof, in effect at the date of conversion.

4.3 **Mechanics of Conversion.** Any holder of the Series 8 Class H Preferred Stock who

wishes to exercise its Conversion Rights pursuant to Section 4.1 of this Part 4 must, if such shares are not being held in escrow by the Corporation's attorneys, surrender the certificate therefor at the principal executive office of the Corporation, and give written notice, which may be via facsimile transmission, to the Corporation at such office that it elects to convert the same (the "Conversion Notice"). In the event that the shares of Series 8 Class H Preferred Stock are being held in escrow by the Corporation's attorneys, no delivery of the certificates shall be required. The Corporation shall, within five (5) business days after receipt of an appropriate and timely Conversion Notice (and certificate, if necessary), issue to such holder of Series 8 Class H Preferred Stock or its agent a certificate for the number of shares of Common Stock to which he shall be entitled; it being expressly agreed that until and unless the holder delivers written notice to the Corporation to the contrary, all shares of Common Stock issuable upon conversion of the Series 8 Class H Preferred Stock hereunder are to be delivered by the Corporation to a party designated in writing by the holder in the Conversion Notice for the account of the holder and such shall be deemed valid delivery to the holder of such shares of Common Stock. Such conversion shall be deemed to have been made only after both the certificate for the shares of Series 8 Class H Preferred Stock to be converted have been surrendered and the Conversion Notice is received by the Corporation (or in the event that no surrender of the Certificate is required, then only upon the receipt by the Corporation of the Conversion Notice)

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(the "Conversion Documents"), and the person or entity whose name is noted on the certificate evidencing such shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock at and after such time. In the event that the Conversion Notice is sent via facsimile transmission, the Corporation shall be deemed to have received such Conversion Notice on the first business day on which such facsimile Conversion Notice is actually received. If the Corporation fails to deliver to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion of the Series 8 Class H Preferred Stock within seven (7) business days after receipt by the Corporation from the holder of an appropriate and timely Conversion Notice and certificates pursuant to the terms of this Section 4.3 ("Seven (7) Business Day Period"), then, upon the written demand of RBB Bank Aktiengesellschaft ("RBB Bank"), the holder of the Series 8 Class H Preferred Stock, for payment of the penalty described below in this Section 4.3, which demand must be received by the Corporation no later than ten (10) calendar days after the expiration of such Seven (7) Business Day Period, the Corporation shall pay to RBB Bank the following penalty for each business day after the Seven (7) Business Day Period until the Corporation delivers to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion: business day eight (8) - U.S. \$1,000; business day nine (9) - U.S. \$2,000, and each business day thereafter an amount equal to the penalty due on the immediately preceding business day times two (2) until the Corporation delivers to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion.

4.4 Merger or Consolidation. In case of either (a) any merger or consolidation to which the Corporation is a party (collectively, the "Merger"), other than a Merger in which the Corporation is the surviving or continuing corporation, or (b) any sale or conveyance to another corporation of all, or substantially all, of the assets of the Corporation (collectively, the "Sale"), and such Merger or Sale becomes effective (x) while any shares of Series 8 Class H Preferred Stock are

outstanding and prior to the date that the Corporation's Registration Statement covering up to 1,379,311 shares of Common Stock issuable upon the conversion of the Series 8 Class H Preferred Stock is declared effective by the U. S. Securities and Exchange Commission or (y) prior to the end of the restriction periods in Section 4.1, then, in such event, the Corporation or such successor corporation, as the case may be, shall make appropriate provision so that the holder of each share of Series 8 Class H Preferred Stock then outstanding shall have the right to convert such share of Series 8 Class H Preferred Stock into the kind and amount of shares of stock or other securities and property receivable upon such Merger or Sale by a holder of the number of shares of Common Stock into which such shares of Series 8 Class H Preferred Stock could have been converted into

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immediately prior to such Merger or Sale, subject to adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Part 4.

4.5 Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. If the Corporation at any time or from time to time while shares of Series 8 Class H Preferred Stock are issued and outstanding shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

4.6 Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series 8 Class H Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.4 hereof), the Conversion Price shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series 8 Class H Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Series 8 Class H Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series 8 Class H Preferred Stock immediately before that change.

4.7 Common Stock Duly Issued. All Common Stock which may be issued upon conversion of Series 8 Class H Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

4.8 Notice of Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Part 4, the Corporation, at its expense, within a reasonable

period of time, shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series 8 Class H Preferred Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment is based.

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4.9 **Issue Taxes.** The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of the Series 8 Class H Preferred Stock pursuant thereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder of Series 8 Class H Preferred Stock in connection with such conversion.

4.10 **Reservation of Stock Issuable Upon Conversion.** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series 8 Class H Preferred Stock, such number of its shares of Common Stock as shall, from time to time, be sufficient to effect the conversion of all outstanding shares of the Series 8 Class H Preferred stock, and, if at any time, the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series 8 Class H Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to its Certificate of Incorporation.

4.11 **Fractional Shares.** No fractional shares shall be issued upon the conversion of any share or shares of Series 8 Class H Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series 8 Class H Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fractional share of Common Stock, such fractional share shall be rounded up to the nearest whole share.

4.12 **Notices.** Any notices required by the provisions of this Part 4 to be given to the holders of shares of Series 8 Class H Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

4.13 **Business Day.** As used herein, the term "business day" shall mean any day other than a Saturday, Sunday or a day when the federal and state banks located in the State of New York are required or is permitted to close.

Part 5 - Redemption.

5.1 **Redemption at Corporation's Option.** Except as otherwise provided in this Section 5.1, at any time, and from time to time, after the expiration of one (1) year from June 9, 1997, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole

or in part, at any time, and from time to time, the then outstanding Series 8 Class H Preferred Stock at the following cash redemption prices per share (the "Redemption Price") if redeemed during the following periods: (a) within four years from June 9, 1997 - \$1,300 per share, if at any time during such four year period the average of the closing bid price of the Common Stock for ten consecutive trading days shall be in excess of Four Dollars (\$4.00) per share, and (b) after four years from June 9, 1997 - \$1,000 per share.

5.2 Mechanics of Redemption. Thirty days prior to any date stipulated by the Corporation for the redemption of Series 8 Class H Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 8 Class H Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 8 Class H Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 8 Class H Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series 8 Class H Preferred Stock to be redeemed as provided in this Part 5 and, if the Redemption Notice is mailed to the Holder after the first 180 days from the date of issuance of the Series 8 Class H Preferred Stock, the number of shares to be converted into Common Stock as provided in Part 4 hereof.

5.3 Rights of Conversion Upon Redemption. If the redemption occurs after the first 180 days after the first issuance of Series 8 Class H Preferred Stock, then, upon receipt of the Redemption Notice, any holder of Series 8 Class H Preferred Stock shall have the option, at its sole election, to specify what portion of its Series 8 Class H Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 5 or converted into Common Stock in the manner provided in Part 4 hereof, except that, notwithstanding any provision of such Part 4 to the contrary, such holder shall have the right to convert into Common Stock that number of Series 8 Class H Preferred Stock called for redemption in the Redemption Notice.

5.4 Surrender of Certificates. On or before the Redemption Date in respect of any Series 8 Class H Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 5.6 hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall be canceled and retired. If a share certificate is surrendered and all the shares evidenced thereby are not

being redeemed (as described below), the Corporation shall cause the Series 8 Class H Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

5.5 **Payment.** On the Redemption Date in respect of any Series 8 Class H Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all such shares called from redemption (less the aggregate Redemption Price for those Series 8 Class H Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Series 8 Class H Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the Redemption Price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

Part 6 - Parity with Other Shares of Series 8 Class H Preferred Stock and Priority.

6.1 **Rateable Participation.** If any cumulative dividends or return of capital in respect of Series 8 Class H Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

6.2 **Ranking.** For purposes of this resolution, any stock of any class or series of the Corporation shall be deemed to rank:

6.2.1 Prior or senior to the shares of this Series 8 Class H Preferred Stock either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of this Series 8 Class H Preferred Stock;

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6.2.2 On a parity with, or equal to, shares of this Series 8 Class H Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share or sinking fund provisions, if any, are different from those of this Series 8 Class H Preferred Stock, if the holders of such stock are entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and over the other, as between the holders of such stock and the holders of shares of this Series 8 Class H Preferred Stock; and,

6.2.3 Junior to shares of this Series 8 Class H Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock or if the holders of shares of this Series 8 Class H Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or

series.

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Part 7 - Amendment and Reissue.

7.1 **Amendment.** If any proposed amendment to the Corporation's Certificate of Incorporation (the "Articles") would alter or change the powers, preferences or special rights of the Series 8 Class H Preferred Stock so as to affect such adversely, then the Corporation must obtain the affirmative vote of such amendment to the Articles at a duly called and held series meeting of the holders of the Series 8 Class H Preferred Stock or written consent by the holders of a majority of the Series 8 Class H Preferred Stock then outstanding. Notwithstanding the above or the provisions of Section 242(b)(2) of the GCL, the number of authorized shares of any class or classes of stock of the Corporation may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of the provisions of this Section 7.1 or Section 242(b)(2) of the GCL.

7.2 **Authorized.** Any shares of Series 8 Class H Preferred Stock acquired by the Corporation by reason of purchase, conversion, redemption or otherwise shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred Stock hereafter created.

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**OF SERIES 9 CLASS I CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 9 Class I Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 9 Class I Convertible Preferred Stock as set forth in the attached resolutions.

Dated: April 30, 1998

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

By /s/ Louis Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecyc
Richard T. Kelecyc, Secretary

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 01:32 PM 07/16/1998
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**PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")**

RESOLUTION OF THE BOARD OF DIRECTORS

**FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 9 CLASS I CONVERTIBLE PREFERRED STOCK**

WHEREAS, the Corporation's capital includes preferred stock, par value \$.001 per share ("Preferred Stock"), which Preferred Stock may be issued in one or more series by resolutions adopted by the directors, and with the directors being entitled by resolution to fix the number of shares in each series and to designate the rights, designations, preferences and relative, participating, optional or other special rights and privileges, restrictions and conditions attaching to the shares of each such series;

WHEREAS, it is in the best interests of the Corporation for the Board to create a new series from the Preferred Stock designated as the Series 9 Class I Convertible Preferred Stock, par value \$.001 per share (the "Series 9 Class I Preferred Stock");

NOW, THEREFORE, BE IT RESOLVED, that the Series 9 Class I Preferred Stock shall consist of three hundred (350) shares and no more and shall be designated as the Series 9 Class I Convertible Preferred Stock, and the preferences, rights, privileges, restrictions and conditions attaching to the Series 9 Class I Preferred Stock shall be as follows:

Part 1 - Voting and Preemptive Rights.

1.1 **Voting Rights.** Except as otherwise provided in Part 7 hereof or under Section 242(b)(2) of the General Corporation Law of the State of Delaware (the "GCL"), the holders of the Series 9 Class I Preferred Stock shall have no voting rights whatsoever. To the extent that under Section 242(b)(2) of the GCL or Part 7 hereof, the holders of the Series 9 Class I Preferred Stock are entitled to vote on a matter, each share of the Series 9 Class I Preferred Stock shall be entitled one (1) vote for each outstanding share of Series 9 Class I Preferred Stock. Holders of the Series 9 Class I Preferred Stock shall be entitled to notice of (and copies of proxy materials and other information sent to stockholders) for all shareholder meetings or written consents with respect to which they would be entitled to vote, which notice would be provided pursuant to the Corporation's bylaws and applicable statutes. If the holders of the Series 9 Class I Preferred Stock are required to vote under Section 242(b)(2) of the GCL as a result of the number of authorized shares of any such class or classes of stock being increased or decreased, the number of authorized shares of any of such class or classes of stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, irrespective of the provisions of Section 242(b)(2) of the GCL.

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1.2 **No Preemptive Rights.** The Series 9 Class I Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

Part 2 - Liquidation Rights.

2.1 **Liquidation.** If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any shares of the Series 9 Class I Preferred Stock shall be outstanding, the holders of the then outstanding Series 9 Class I Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to shareholders an amount equal to \$1,000 consideration per outstanding share of Series 9 Class I Preferred Stock, and no more, plus an amount equal to all unpaid dividends accrued thereon to the date of payment of such distribution ("Liquidation Preference"), whether or not declared by the Board of Directors, before any payment shall be made or any assets distributed to the holders of the Corporation's Common Stock.

2.2 **Payment of Liquidation Preferences.** Subject to the provisions of Part 6 hereof, all amounts to be paid as Liquidation Preference to the holders of Series 9 Class I Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of the Corporation's Common Stock, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

2.3 **No Rights After Payment.** After the payment to the holders of the shares of the Series 9 Class I Preferred Stock of the full Liquidation Preference amounts provided for in this Part 2, the holders of the Series 9 Class I Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

2.4 **Assets Insufficient to Pay Full Liquidation Preference.** In the event that the assets of the Corporation available for distribution to the holders of shares of the Series 9 Class I Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to this Part 2, no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series 9 Class I Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series 9 Class I Preferred Stock and shares of such other class or series ranking on a parity with the shares of this Series 9 Class I Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

Part 3 - Dividends.

3.1 The holders of the Series 9 Class I Preferred Stock are entitled to receive if, when and as declared by the Board of Directors of the Corporation (the "Board") out of funds legally

available therefor, cumulative annual dividends, payable in cash or Common Stock of the Corporation, par value \$.001 per share (the "Common Stock"), or any combination thereof, at the Corporation's election, at the rate of four percent (4%) per annum of the Liquidation Value (as defined below) of each issued and outstanding share of Series 9 Class I Preferred Stock (the "Dividend Rate"). The Liquidation Value of the Series 9 Class I Preferred Stock shall be \$1,000 per outstanding share of the Series 9 Class I Preferred Stock (the "Liquidation Value"). The dividend is payable semi-annually within seven (7) business days after each of December 31

and June 30 of each year, commencing June 30, 1998 (each, a "Dividend Declaration Date"). Dividends shall be paid only with respect to shares of Series 9 Class I Preferred Stock actually issued and outstanding on a Dividend Declaration Date and to holders of record of the Series 9 Class I Preferred Stock as of the Dividend Declaration Date. Dividends shall accrue from the first day of the semi-annual period in which such dividend may be payable, except with respect to the first semi-annual dividend which shall accrue from March 1, 1998. In the event that the Corporation elects to pay the accrued dividends due as of a Dividend Declaration Date on an outstanding share of the Series 9 Class I Preferred Stock in Common Stock of the Corporation, the holder of such share shall receive that number of shares of Common Stock of the Corporation equal to the product of (a) the quotient of (i) the Dividend Rate divided by (ii) the average of the closing bid quotation of the Corporation's Common Stock as reported on the National Association of Securities Dealers Automated Quotation system ("NASDAQ"), or the average closing sale price if listed on a national securities exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"), times (b) a fraction, the numerator of which is the number of days elapsed during the period for which the dividend is to be paid and the denominator of which is 365. Dividends on the Series 9 Class I Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Corporation's Common Stock until all accrued and unpaid dividends on all outstanding shares of Series 9 Class I Preferred Stock shall have been paid or declared and set aside for payment.

Part 4 - Conversion. The holders of the Series 9 Class I Preferred Stock shall have rights to convert the shares of Series 9 Class I Preferred Stock into shares of the Corporation's Common Stock, as follows (the "Conversion Rights"):

4.1 **Right to Convert.** The Series 9 Class I Preferred Stock shall be convertible into shares of Common Stock at any time.

4.2 **Conversion Price.** Subject to the terms hereof, as used herein, the Conversion Price per outstanding share of Series 9 Class I Preferred Stock shall be \$1.8125, except that, in the event the average closing bid price per share of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days prior to the particular date of conversion shall be less than \$2.265, the Conversion Price for only such particular conversion shall be the product of the average closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days immediately preceding the date of the Conversion Notice referred to in Section 4.3 below in connection with such conversion multiplied by eighty

percent (80%). Notwithstanding the foregoing, the Conversion Price shall not be less than a minimum of \$.75 per share ("Minimum Conversion Price"), which Minimum Conversion Price shall be eliminated from and after September 6, 1998. If any of the outstanding shares of Series 9 Class I Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Part 4, the number of shares of whole Common Stock to be issued to the holder as a result of such conversion shall be determined by dividing (a) the aggregate Liquidation Value of the Series 9 Class I Preferred Stock so surrendered for conversion by (b) the Conversion Price

as of such conversion. At the time of conversion of shares of the Series 9 Class I Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of whole shares of Common Stock which is equal to the quotient of the amount of such unpaid and accrued dividends to the date of conversion on the shares of Series 9 Class I Preferred Stock so converted divided by the Stock Dividend Price, as defined in Part 3 hereof, in effect at the date of conversion.

4.3 Mechanics of Conversion. Any holder of the Series 9 Class I Preferred Stock who wishes to exercise its Conversion Rights pursuant to Section 4.1 of this Part 4 must surrender the certificate therefor at the principal executive office of the Corporation, and give written notice, which may be via facsimile transmission, to the Corporation at such office that it elects to convert the same (the "Conversion Notice"). The Corporation shall, within seven (7) business days after receipt of an appropriate and timely Conversion Notice (and certificate, if necessary), issue to such holder of Series 9 Class I Preferred Stock or its agent a certificate for the number of shares of Common Stock to which he shall be entitled; it being expressly agreed that until and unless the holder delivers written notice to the Corporation to the contrary, all shares of Common Stock issuable upon conversion of the Series 9 Class I Preferred Stock hereunder are to be delivered by the Corporation to a party designated in writing by the holder in the Conversion Notice for the account of the holder and such shall be deemed valid delivery to the holder of such shares of Common Stock. Such conversion shall be deemed to have been made only after both the certificate for the shares of Series 9 Class I Preferred Stock to be converted have been surrendered and the Conversion Notice is received by the Corporation (the "Conversion Documents"), and the person or entity whose name is noted on the certificate evidencing such shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock at and after such time. In the event that the Conversion Notice is sent via facsimile transmission, the Corporation shall be deemed to have received such Conversion Notice on the first business day on which such facsimile Conversion Notice is actually received.

4.4 Merger or Consolidation. In case of either (a) any merger or consolidation to which the Corporation is a party (collectively, the "Merger"), other than a Merger in which the Corporation is the surviving or continuing corporation, or (b) any sale or conveyance to another corporation of all, or substantially all, of the assets of the Corporation

(collectively, the "Sale"), and such Merger or Sale becomes effective (x) while any shares of Series 9 Class I Preferred Stock are outstanding and prior to the date that the Corporation's Registration Statement covering up to 200,000 shares of Common Stock issuable upon the conversion of the Series 9 Class I Preferred Stock is declared effective by the U. S. Securities and Exchange Commission or (y) prior to the end of the restriction periods in Section 4.1, then, in such event, the Corporation or such successor corporation, as the case may be, shall make appropriate provision so that the holder of each share of Series 9 Class I Preferred Stock then outstanding shall have the right to convert such share of Series 9 Class I Preferred Stock into the kind and amount of shares of stock or other securities and property receivable upon such Merger or Sale by a holder of the number of shares of Common Stock into which such shares of Series 9

Class I Preferred Stock could have been converted into immediately prior to such Merger or Sale, subject to adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Part 4.

4.5 Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. If the Corporation at any time or from time to time while shares of Series 9 Class I Preferred Stock are issued and outstanding shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

4.6 Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series 9 Class I Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.4 hereof), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series 9 Class I Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Series 9 Class I Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series 9 Class I Preferred Stock immediately before that change.

4.7 Common Stock Duly Issued. All Common Stock which may be issued upon conversion of Series 9 Class I Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

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4.8 Notice of Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Part 4, the Corporation, at its expense, within a reasonable period of time, shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series 9 Class I Preferred Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment is based.

4.9 Issue Taxes. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of the Series 9 Class I Preferred Stock pursuant thereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder of Series 9 Class I Preferred Stock in connection with such conversion.

4.10 Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times

reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series 9 Class I Preferred Stock, such number of its shares of Common Stock as shall, from time to time, be sufficient to effect the conversion of all outstanding shares of the Series 9 Class I Preferred stock, and, if at any time, the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series 9 Class I Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to its Certificate of Incorporation.

4.11 **Fractional Shares.** No fractional shares shall be issued upon the conversion of any share or shares of Series 9 Class I Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series 9 Class I Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fractional share of Common Stock, such fractional share shall be rounded up to the nearest whole share.

4.12 **Notices.** Any notices required by the provisions of this Part 4 to be given to the holders of shares of Series 9 Class I Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

4.13 **Business Day.** As used herein, the term "business day" shall mean any day other than a Saturday, Sunday or a day when the federal and state banks located in the State of New York are required or is permitted to close.

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Part 5 - Redemption.

5.1 **Redemption at Corporation's Option.** Except as otherwise provided in this Section 5.1, at any time, and from time to time, after the expiration of one (1) year from the date of the first issuance of the Series 9 Class I Preferred Stock, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, at any time, and from time to time, the then outstanding Series 9 Class I Preferred Stock at the following cash redemption prices per share (the "Redemption Price") if redeemed during the following periods: (a) within four (4) years from the date of the first issuance of Series 9 Class I Preferred Stock - - \$1,300 per share, if at any time during such four (4) year period the average of the closing bid price of the Common Stock for ten (10) consecutive trading days shall be in excess of Four U.S. Dollars (\$4.00) per share, and (b) after four (4) years from the date of the first issuance of Series 9 Class I Preferred Stock - \$1,000 per share.

5.2 **Mechanics of Redemption.** Thirty (30) days prior to any date stipulated by the Corporation for the redemption of Series 9 Class I Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 9 Class I Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of

such shares, (ii) the number of Series 9 Class I Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 9 Class I Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series 9 Class I Preferred Stock to be redeemed as provided in this Part 5.

5.3 Rights of Conversion Upon Redemption. If the redemption occurs after the first one hundred eighty (180) days after the first issuance of Series 9 Class I Preferred Stock, then, upon receipt of the Redemption Notice, any holder of Series 9 Class I Preferred Stock shall have the option, at its sole election, to specify what portion of its Series 9 Class I Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 5 or converted into Common Stock in the manner provided in Part 4 hereof.

5.4 Surrender of Certificates. On or before the Redemption Date in respect of any Series 9 Class I Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 5.6 hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 9 Class I Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

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5.5 Payment. On the Redemption Date in respect of any Series 9 Class I Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least U. S. \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all such shares called from redemption (less the aggregate Redemption Price for those Series 9 Class I Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Series 9 Class I Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the Redemption Price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

Part 6 - Parity with Other Shares of Series 9 Class I Preferred Stock and Priority.

6.1 Rateable Participation. If any cumulative dividends or return of capital in respect of Series 9 Class I Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

6.2 **Ranking.** For purposes of this resolution, any stock of any class or series of the Corporation shall be deemed to rank:

6.2.1 Prior or senior to the shares of this Series 9 Class I Preferred Stock either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of this Series 9 Class I Preferred Stock;

6.2.2 On a parity with, or equal to, shares of this Series 9 Class I Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share or sinking fund provisions, if any, are different from those of this Series 9 Class I Preferred Stock, if the holders of such stock are entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, in proportion to their respective dividend rates

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or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and over the other, as between the holders of such stock and the holders of shares of this Series 9 Class I Preferred Stock; and,

6.2.3 Junior to shares of this Series 9 Class I Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock or if the holders of shares of this Series 9 Class I Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or series.

Part 7 - Reissue.

7.1 **Authorized.** Any shares of Series 9 Class I Preferred Stock acquired by the Corporation by reason of purchase, conversion, redemption or otherwise shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred Stock hereafter created.

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 12:30 PM 07/15/1999
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**CERTIFICATE OF DESIGNATIONS
OF SERIES 11 CLASS K CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 11 Class K Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 11 Class K Convertible Preferred Stock as set forth in the attached resolutions.

Dated: July 15, 1999

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By /s/ Louis Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecyc
Richard T. Kelecyc, Secretary

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")

**RESOLUTION OF THE BOARD OF DIRECTORS
FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 11 CLASS K CONVERTIBLE PREFERRED STOCK**

WHEREAS,

- A. The Corporation's share capital includes Preferred Stock, par value \$.001 per share ("Preferred Stock"), which Preferred Stock may be issued in one or more series by the Board of Directors of the Corporation (the "Board") being entitled by resolution to fix the number of shares in each series and to designate the rights, designations, preferences, and relative, participating, optional or other special rights, privileges, restrictions and conditions attaching to the shares of each such series; and
- B. It is in the best interests of the Corporation for the Board to create a new series from the Preferred Stock designated as the Series 11 Class K Convertible Preferred Stock, par value \$.001.

NOW, THEREFORE, BE IT RESOLVED, THAT:

The Series 11 Class K Convertible Preferred Stock, par value \$.001 (the "Series 11 Class K Preferred Stock") of the Corporation shall consist of 1,769 shares and no more and shall be designated as the Series 11 Class K Convertible Preferred Stock, and the preferences, rights, privileges, restrictions and conditions attaching to the Series 11 Class K Preferred Stock shall be as follows:

Part 1 - Voting and Preemptive Rights.

1.1 **Voting Rights.** Except as otherwise provided herein, in the Corporation's Certificate of Incorporation (the "Articles") or the General Corporation Law of the State of Delaware (the "GCL"), the holders of the Series 11 Class K Preferred Stock shall have no voting rights whatsoever. To the extent that under the GCL the vote of the holders of the Series 11 Class K Preferred Stock, voting separately as a class or series as applicable, is required to authorize a given action of the Corporation, the affirmative vote or consent of the holders of at least a majority of the shares of the Series 11 Class K Preferred Stock represented at a duly held meeting at which a quorum is present or by written consent of a majority of the shares of Series 11 Class K Preferred Stock (except as otherwise may be required under the GCL) shall constitute the approval

of such action by the series. To the extent that under the GCL the holders of the Series 11 Class K Preferred Stock are entitled to vote on a matter with holders of Corporation's Common Stock and/or any other class or series of the Corporation's voting securities, the Series 11 Class K Preferred Stock, the Corporation's Common Stock and all other classes or series of the Corporation's voting securities shall vote together as one class, with each share of Series 11 Class K Preferred Stock entitled to a number of votes equal to the number of shares of the Corporation's Common Stock into which it is then convertible using the record date for the taking of such vote of stockholders as the date as of which the Conversion Price (as defined in Section 4.2 hereof) is calculated and conversion is effected. Holders of the Series 11 Class K Preferred Stock shall be entitled to notice of (and copies of proxy materials and other information sent to stockholders) for all shareholder meetings or written consents with respect to which they would be entitled to vote, which notice would be provided pursuant to the Corporation's bylaws and applicable statutes.

1.2 **No Preemptive Rights.** The Series 11 Class K Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

Part 2 - Liquidation Rights.

2.1 **Liquidation.** If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any shares of the Series 11 Class K Preferred Stock shall be outstanding, the holders of the then outstanding Series 11 Class K Preferred Stock shall have a preference in distribution of the Corporation's property available for distribution to the holders of the Corporation's Common Stock equal to \$1,000 consideration per outstanding share of Series 11 Class K Preferred Stock, plus an amount equal to all unpaid dividends accrued thereon to the date of payment of such distribution ("Liquidation Preference"), whether or not declared by the Board.

2.2 **Payment of Liquidation Preferences.** Subject to the provisions of Part 6 hereof, all amounts to be paid as Liquidation Preference to the holders of Series 11 Class K Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of the Corporation's Common Stock, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

2.3 **No Rights After Payment.** After the payment to the holders of the shares of the Series 11 Class K Preferred Stock of the full Liquidation Preference amounts provided for in this Part 2, the holders of the Series 11 Class K Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

2.4 **Assets Insufficient to Pay Full Liquidation Preference.** In the event that the assets of the Corporation available for distribution to the holders of shares of the Series 11 Class K Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be

insufficient to pay in full all amounts to which such holders are entitled pursuant to this Part 2, no such distribution shall be made on account of any shares of any other class or series of Preferred

Stock ranking on a parity with the shares of this Series 11 Class K Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series 11 Class K Preferred Stock and shares of such other class or series ranking on a parity with the shares of this Series 11 Class K Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

Part 3 - Dividends.

3.1 The holders of the Series 11 Class K Preferred Stock are entitled to receive if, when and as declared by the Board out of funds legally available therefor, cumulative dividends, payable in cash or Common Stock of the Corporation, par value \$.001 per share (the "Common Stock"), at the Corporation's election, at the rate of six percent (6%) per annum of the Liquidation Value of the Series 11 Class K Preferred Stock. The Liquidation Value of the Series 11 Class K Preferred Stock shall be \$1,000.00 per share (the "Dividend Rate"). The dividend is payable semi-annually within seven (7) business days after each of December 31 and June 30 of each year, commencing December 31, 1996 (each, a "Dividend Declaration Date"). Dividends shall be paid only with respect to shares of Series 11 Class K Preferred Stock actually issued and outstanding on a Dividend Declaration Date and to holders of record as of the Dividend Declaration Date. Dividends shall accrue from the first day of the semi-annual period in which such dividend may be payable, except with respect to the first semi-annual dividend which shall accrue from the date of issuance of the Series 11 Class K Preferred Stock. In the event that the Corporation elects to pay dividends in Common Stock of the Corporation, each holder of the Series 11 Class K Preferred Stock shall receive shares of Common Stock of the Corporation equal to the quotient of (i) the Dividend Rate in effect on the applicable Dividend Declaration Date dividend by (ii) the average of the closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"). Dividends on the Series 11 Class K Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Common Stock until all accrued and unpaid dividends on all outstanding shares of Series 11 Class K Preferred Stock shall have been paid or declared and set aside for payment.

Part 4 - Conversion. The holders of the Series 11 Class K Preferred Stock shall have rights to convert the shares of Series 11 Class K Preferred Stock into shares of the Corporation's Common Stock, par value \$.001 per share ("Common Stock"), as follows (the "Conversion Rights"):

4.1 **No Right to Convert.** The Series 11 Class K Preferred shall not be convertible into shares of Common Stock until after July 15, 2000.

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4.2 **Right to Convert.** The Series 11 Class K Preferred Stock may be convertible into shares of Common Stock at any time on or after July 15, 2000.

4.3 **Conversion Price.** As used herein, the term Conversion Price shall be the product of (i) the average closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days immediately preceding the date of the Conversion Notice referred to in Section 4.3 below

multiplied by (ii) seventy-five percent (75%), subject to the provisions of this Section 4.3. Notwithstanding the foregoing, the Conversion Price shall not be (i) less than a minimum of \$1.50 per share for a period of twenty-four (24) months from the date of issuance of the Series 11 Class K Preferred Stock, or, after twenty-four (24) months from the date of issuance of the Series 11 Class K Preferred Stock, a minimum of \$.50 per share (as applicable, the "Minimum Conversion Price") or (ii) more than a maximum of \$1.50 per share ("Maximum Conversion Price"). If, after July 1, 1996, the Corporation sustains a net loss, on a consolidated basis, in each of two (2) consecutive quarters, as determined under generally accepted accounting principles, the Minimum Conversion Price shall be reduced \$.25 a share, but there shall be no change to, or reduction of, the Maximum Conversion Price. For the purpose of determining whether the Corporation has had a net loss in each of two (2) consecutive quarters, at no time shall a quarter that has already been considered in such determination be considered in any subsequent determination (as an example the third quarter of 1996 in which there is a net profit and the fourth quarter of 1996 in which there is a net loss shall be considered as two consecutive quarters, and, as a result, the fourth quarter of 1996 shall not be considered along with the first quarter of 1997 as two (2) consecutive quarters, but the first quarter of 1997 must be considered with the second quarter of 1997 for the purposes of such determination). For the purposes of this Section 4.2, a "quarter" is a three (3) month period ending on March 31, June 30, September 30, and December 31. If any of the outstanding shares of Series 11 Class K Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Part 4, the number of shares of whole Common Stock to be issued to the holder as a result of such conversion shall be determined by dividing (a) the aggregate Liquidation Value of the Series 11 Class K Preferred Stock so surrendered for conversion by (b) the Conversion Price in effect at the date of the conversion. At the time of conversion of shares of the Series 11 Class K Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of shares of whole Common Stock which is equal to the product of dividing the amount of such unpaid and accrued dividends to the date of conversion on the shares of Series 11 Class K Preferred Stock so converted by the Conversion Price in effect at the date of conversion.

4.4 Mechanics of Conversion. Any holder of the Series 11 Class K Preferred Stock who wishes to exercise its Conversion Rights pursuant to Section 4.1 of this Part 4 must, if such shares are not being held in escrow by the Corporation's attorneys, surrender the certificate therefor at the principal executive office of the Corporation, and give written notice, which may be via facsimile transmission, to the Corporation at such

office that it elects to convert the same (the "Conversion Notice"). In the event that the shares of Series 11 Class K Preferred Stock are being held in escrow by the Corporation's attorneys, no delivery of the certificates shall be required. No Conversion Notice with respect to any shares of Series 11 Class K Preferred Stock can be given prior to the time such shares of Series 11 Class K Preferred Stock are eligible for conversion in accordance with the provision of Section 4.1 above. Any such premature Conversion Notice shall automatically be null and void. The Corporation shall, within five (5) business days after receipt of an appropriate and timely Conversion Notice (and certificate, if necessary), issue to such holder of Series 11 Class K Preferred Stock or its agent a certificate for the number of shares of Common Stock to which he

shall be entitled; it being expressly agreed that until and unless the holder delivers written notice to the Corporation to the contrary, all shares of Common Stock issuable upon conversion of the Series 11 Class K Preferred Stock hereunder are to be delivered by the Corporation to a party designated in writing by the holder in the Conversion Notice for the account of the holder and such shall be deemed valid delivery to the holder of such shares of Common Stock. Such conversion shall be deemed to have been made only after both the certificate for the shares of Series 11 Class K Preferred Stock to be converted have been surrendered and the Conversion Notice is received by the Corporation (or in the event that no surrender of the Certificate is required, then only upon the receipt by the Corporation of the Conversion Notice) (the "Conversion Documents"), and the person or entity whose name is noted on the certificate evidencing such shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock at and after such time. In the event that the Conversion Notice is sent via facsimile transmission, the Corporation shall be deemed to have received such Conversion Notice on the first business day on which such facsimile Conversion Notice is actually received. If the Corporation fails to deliver to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion within five (5) business days after receipt by the Corporation from the holder of an appropriate and timely Conversion Notice and certificates pursuant to the terms of this Section 4.3, the Corporation shall pay to the holder U.S. \$1,000 for each day that the Corporation is late in delivering such certificate to the holder or its agent.

4.5 Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. If the Corporation at any time or from time to time while shares of Series 11 Class K Preferred Stock are issued and outstanding shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. If the Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common stock for no consideration, then the Corporation

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shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

4.6. Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series 11 Class K Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.4 hereof), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series 11 Class K Preferred Stock shall be convertible into, in lieu of the number of shares of

Common Stock which the holders of Series 11 Class K Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series 11 Class K Preferred Stock immediately before that change.

4.7 **Common Stock Duly Issued**. All Common Stock which may be issued upon conversion of Series 11 Class K Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

4.8 **Notice of Adjustments**. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Part 4, the Corporation, at its expense, within a reasonable period of time, shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series 11 Class K Preferred Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment is based.

4.9 **Issue Taxes**. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of the Series 11 Class K Preferred Stock pursuant thereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder of Series 11 Class K Preferred Stock in connection with such conversion.

4.10 **Reservation of Stock Issuable Upon Conversion**. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series 11 Class K Preferred Stock, such number of its shares of Common Stock as shall, from time to time, be sufficient to effect the conversion of all outstanding shares of the Series 11 Class K Preferred stock, and, if at any time, the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series 11 Class K Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to its Certificate of Incorporation.

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4.11 **Fractional Shares**. No fractional share shall be issued upon the conversion of any share or shares of Series 11 Class K Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series 11 Class K Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fractional share of Common Stock, such fractional share shall be rounded up to the nearest whole share.

4.12 **Notices**. Any notices required by the provisions of this Part 4 to be given to the holders of shares of Series 11 Class K Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

4.13 **Business Day.** As used herein, the term "business day" shall mean any day other than a Saturday, Sunday or a day when the federal and state banks located in the State of New York are required or permitted to close.

Part 5 - Redemption.

5.1 **Redemption at Corporation's Option.** Except as otherwise provided in this Section 5.1, at any time, and from time to time, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, at any time, and from time to time, the then outstanding Series 11 Class K Preferred Stock at the following cash redemption prices if redeemed during the following periods: (i) within one year from July 15, 1999 - \$1,100 per share, and (ii) after one year from July 15, 1999 - \$1,200 per share (as applicable, the redemption price of \$1,100 or \$1,200 is referred to herein as the "Redemption Price").

5.2 **Mechanics of Redemption.** Prior to any date stipulated by the Corporation for the redemption of Series 11 Class K Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 11 Class K Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 11 Class K Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 11 Class K Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series 11 Class K Preferred Stock to be redeemed as provided in this Part 5 and, if the Redemption Notice is mailed to the Holder after the first year from the date of issuance of the Series 11 Class K Preferred Stock, the number of shares to be converted into Common Stock as provided in Part 4 hereof.

5.3 **Mechanics of Redemption.** Prior to any date stipulated by the Corporation for the redemption of Series 11 Class K Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 11 Class K Preferred Stock. The

Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 11 Class K Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 11 Class K Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series 11 Class K Preferred Stock to be redeemed as provided in this Part 5 and, if the Redemption Notice is mailed to the Holder after the first year from the date of issuance of the Series 11 Class K Preferred Stock, the number of shares to be converted into Common Stock as provided in Part 4 hereof.

5.4 **Rights of Conversion Upon Redemption.** If the redemption occurs during the first 12 months after the issuance of the Series 11 Class K Preferred Stock, the holder may not convert any redeemed shares. If the redemption occurs pursuant to Section 5.1 hereof, the Holder of the Series 11 Class K Preferred Stock shall not have the right to convert those outstanding shares of

Series 11 Class K Preferred Stock that the Company is redeeming after receipt of the Redemption Notice. If the redemption occurs pursuant to Section 5.2 hereof, then, upon receipt of the Redemption Notice, any holder of Series 11 Class K Preferred Stock shall have the next five business days during which it may exercise the option, at its sole election, to specify what portion of its Series 11 Class K Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 5 or converted into Common Stock in the manner provided in Part 4 hereof, except that, notwithstanding any provision of such Part 4 to the contrary, after one year from the date of first issuance of the Series 11 Class K Preferred Stock, such holder shall have the right to convert into Common Stock that number of Series 11 Class K Preferred Stock called for redemption in the Redemption Notice.

5.5 Surrender of Certificates. On or before the Redemption Date in respect of any Series 11 Class K Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 5.5 hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall be canceled and retired. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 11 Class K Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

5.6 Payment. On the Redemption Date in respect of any Series 11 Class K Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least U. S. \$50,000,000, as a trust fund, a sum equal to the aggregate First Year Redemption Price or the Redemption Price, whichever is applicable, of all such shares called from redemption (less the aggregate Redemption Price for those Series 11 Class K Preferred Stock in respect of which the Corporation has received notice from the

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holder thereof of its election to convert Series 11 Class K Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the First Year Redemption Price or the Redemption Price, whichever is applicable, to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the First Year Redemption Price or the Redemption Price, whichever is applicable, of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the First Year Redemption Price or the Redemption Price, whichever is applicable, in respect of their shares only from the Corporation.

Part 6 - Parity with Other Shares of Series 11 Class K Preferred Stock and Priority.

6.1 **Rateable Participation.** If any cumulative dividends or return of capital in respect of Series 11 Class K Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

6.2 **Ranking.** For purposes of this resolution, any stock of any class or series of the Corporation shall be deemed to rank:

6.2.1 Prior or senior to the shares of this Series 11 Class K Preferred Stock either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of this Series 11 Class K Preferred Stock;

6.2.2 On a parity with, or equal to, shares of this Series 11 Class K Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share or sinking fund provisions, if any, are different from those of this Series 3 Class C Preferred Stock, if the holders of such stock are entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and over the other, as between the holders of such stock and the holders of shares of this Series 11 Class K Preferred Stock; and,

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6.2.3 Junior to shares of this Series 11 Class K Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock or if the holders of shares of this Series 11 Class K Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or series.

Part 7 - Amendment and Reissue.

7.1 **Amendment.** If any proposed amendment to the Corporation's Certificate of Incorporation would alter or change the powers, preferences or special rights of the Series 11 Class K Preferred Stock so as to affect such adversely, then the Corporation must obtain the affirmative vote of such amendment to the Certificate of Incorporation at a duly called and held series meeting of the holders of the Series 11 Class K Preferred Stock or written consent by the holders of a majority of the Series 11 Class K Preferred Stock then outstanding. Notwithstanding the above, the number of authorized shares of any class or classes of stock may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of this Section 7.1 or the requirements of Section 242 of the GCL.

7.2 **Authorized.** Any shares of Series 11 Class K Preferred Stock acquired by the Corporation

by reason of purchase, conversion, redemption or otherwise shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred Stock hereafter created.

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 12:31 PM - 07/15/1999
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CERTIFICATE OF DESIGNATIONS
OF SERIES 12 CLASS L CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 12 Class L Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 12 Class L Convertible Preferred Stock as set forth in the attached resolutions.

Dated: July 15, 1999

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By /s/ Louis Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecy

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")

**RESOLUTION OF THE BOARD OF DIRECTORS
FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 12 CLASS L CONVERTIBLE PREFERRED STOCK**

WHEREAS, the Corporation's capital includes preferred stock, par value \$.001 per share ("Preferred Stock"), which Preferred Stock may be issued in one or more series by resolutions adopted by the directors, and with the directors being entitled by resolution to fix the number of shares in each series and to designate the rights, designations, preferences and relative, participating, optional or other special rights and privileges, restrictions and conditions attaching to the shares of each such series;

WHEREAS, it is in the best interests of the Corporation for the Board to create a new series from the Preferred Stock designated as the Series 12 Class L Convertible Preferred Stock, par value \$.001 per share (the "Series 12 Class L Preferred Stock");

NOW, THEREFORE, BE IT RESOLVED, that the Series 12 Class L Preferred Stock shall consist of nine hundred sixteen (916) shares and no more and shall be designated as the Series 12 Class L Convertible Preferred Stock, and the preferences, rights, privileges, restrictions and conditions attaching to the Series 12 Class L Preferred Stock shall be as follows:

Part 1 - Voting and Preemptive Rights.

1.1 **Voting Rights.** Except as otherwise provided in Part 7 hereof or under Section 242(b)(2) of the General Corporation Law of the State of Delaware (the "GCL"), the holders of the Series 12 Class L Preferred Stock shall have no voting rights whatsoever. To the extent that under Section 242(b)(2) of the GCL or Part 7 hereof, the holders of the Series 12 Class L Preferred Stock are entitled to vote on a matter, each share of the Series 12 Class L Preferred Stock shall be entitled one (1) vote for each outstanding share of Series 12 Class L Preferred Stock. Holders of the Series 12 Class L Preferred Stock shall be entitled to notice of (and copies of proxy materials and other information sent to stockholders) for all shareholder meetings or written consents with respect to which they would be entitled to vote, which notice would be provided pursuant to the Corporation's bylaws and applicable statutes.

1.2 **No Preemptive Rights.** The Series 12 Class L Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

Part 2 - Liquidation Rights.

2.1 **Liquidation.** If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any shares of the Series 12 Class L Preferred Stock shall be outstanding, the holders of the then outstanding Series 12 Class L Preferred Stock shall have a preference in distribution of the Corporation's property available for distribution to the holders of the Corporation's Common Stock equal to \$1,000 consideration per outstanding share of Series 12 Class L Preferred Stock, plus an amount equal to all unpaid dividends accrued thereon to the date of payment of such distribution ("Liquidation Preference"), whether or not declared by the Board.

2.2 **Payment of Liquidation Preferences.** Subject to the provisions of Part 6 hereof, all amounts to be paid as Liquidation Preference to the holders of Series 12 Class L Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of the Corporation's Common Stock, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

2.3 **No Rights After Payment.** After the payment to the holders of the shares of the Series 12 Class L Preferred Stock of the full Liquidation Preference amounts provided for in this Part 2, the holders of the Series 12 Class L Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

2.4 **Assets Insufficient to Pay Full Liquidation Preference.** In the event that the assets of the Corporation available for distribution to the holders of shares of the Series 12 Class L Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to this Part 2, no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series 12 Class L Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series 12 Class L Preferred Stock and shares of such other class or series ranking on a parity with the shares of this Series 12 Class L Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

Part 3 - Dividends. The holders of the Series 12 Class L Preferred Stock are entitled to receive if, when and as declared by the Board out of funds legally available therefor, cumulative dividends, payable in cash or Common Stock of the Corporation, par value \$.001 per share (the "Common Stock"), or any combination thereof, at the Corporation's election, at the rate of four percent (4%)

per annum of the Liquidation Value (as defined below) of each issued and outstanding share of Series 12 Class L Preferred Stock (the "Dividend Rate"). The Liquidation Value of the Series 12 Class L Preferred Stock shall be \$1,000 per outstanding share of the Series 12 Class L Preferred Stock (the "Liquidation Value"). The dividend is payable semi-annually within seven (7) business days after each of December 31 and June 30 of each year, commencing June 30, 1998 (each, a

"Dividend Declaration Date"). Dividends shall be paid only with respect to shares of Series 12 Class L Preferred Stock actually issued and outstanding on a Dividend Declaration Date and to holders of record of the Series 12 Class L Preferred Stock as of the Dividend Declaration Date. Dividends shall accrue from the first day of the semi-annual period in which such dividend may be payable, except with respect to the first semi-annual dividend which shall accrue from March 1, 1998. In the event that the Corporation elects to pay the accrued dividends due as of a Dividend Declaration Date on an outstanding share of the Series 12 Class L Preferred Stock in Common Stock of the Corporation, the holder of such share shall receive that number of shares of Common Stock of the Corporation equal to the product of (a) the quotient of (i) the Dividend Rate divided by (ii) the average of the closing bid quotation of the Corporation's Common Stock as reported on the National Association of Securities Dealers Automated Quotation system ("NASDAQ"), or the average closing sale price if listed on a national securities exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"), times (b) a fraction, the numerator of which is the number of days elapsed during the period for which the dividend is to be paid and the denominator of which is 365. Dividends on the Series 12 Class L Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Corporation's Common Stock until all accrued and unpaid dividends on all outstanding shares of Series 12 Class L Preferred Stock shall have been paid or declared and set aside for payment.

Part 4 - Conversion. The holders of the Series 12 Class L Preferred Stock shall have rights to convert the shares of Series 12 Class L Preferred Stock into shares of the Corporation's Common Stock, par value \$.001 per share ("Common Stock"), as follows (the "Conversion Rights"):

4.1 **No Right to Convert.** The Series 12 Class L Preferred shall not be convertible into shares of Common Stock until after July 15, 2000.

4.2 **Right to Convert.** The Series 12 Class L Preferred Stock may be convertible into shares of Common Stock at any time after July 15, 2000.

4.3 **Conversion Price.** Subject to the terms hereof, as used herein, the Conversion Price per outstanding share of Series 12 Class L Preferred Stock shall be \$1.8125, except that, in the event the average closing bid price per share of the Common Stock as reported on the over-the-counter

market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days prior to the particular date of conversion shall be less than \$2.265, the Conversion Price for only such particular conversion shall be the product of the average closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days immediately preceding the date of the Conversion Notice referred to in Section 4.3 below in connection with such conversion multiplied by eighty percent (80%), subject to the provisions of this Section 4.3. Notwithstanding the foregoing, the Conversion Price shall not be less than a minimum of \$1.50 per share ("Minimum Conversion Price") for a period of twenty-four (24) months from the date of issuance of the Series 12 Class L Preferred Stock. If any of the outstanding shares of Series 12 Class L Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Part 4, the number of shares of whole Common Stock to be issued to the holder as a result of such conversion shall be determined by dividing (a) the aggregate Liquidation Value of the Series 12

Class L Preferred Stock so surrendered for conversion by (b) the Conversion Price as of such conversion. At the time of conversion of shares of the Series 12 Class L Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of whole shares of Common Stock which is equal to the quotient of the amount of such unpaid and accrued dividends to the date of conversion on the shares of Series 12 Class L Preferred Stock so converted divided by the Stock Dividend Price, as defined in Part 3 hereof, in effect at the date of conversion.

4.3 Mechanics of Conversion. Any holder of the Series 12 Class L Preferred Stock who wishes to exercise its Conversion Rights pursuant to Section 4.1 of this Part 4 must, if such shares are not being held in escrow by the Corporation's attorneys, surrender the certificate therefor at the principal executive office of the Corporation, and give written notice, which may be via facsimile transmission, to the Corporation at such office that it elects to convert the same (the "Conversion Notice"). In the event that the shares of Series 12 Class L Preferred Stock are being held in escrow by the Corporation's attorneys, no delivery of the certificates shall be required. The Corporation shall, within five (5) business days after receipt of an appropriate and timely Conversion Notice (and certificate, if necessary), issue to such holder of Series 12 Class L Preferred Stock or its agent a certificate for the number of shares of Common Stock to which he shall be entitled; it being expressly agreed that until and unless the holder delivers written notice to the Corporation to the contrary, all shares of Common Stock issuable upon conversion of the Series 12 Class L Preferred Stock hereunder are to be delivered by the Corporation to a party designated in writing by the holder in the Conversion Notice for the account of the holder and such shall be deemed valid delivery to the holder of such shares of Common Stock. Such conversion shall be deemed to have been

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made only after both the certificate for the shares of Series 12 Class L Preferred Stock to be converted have been surrendered and the Conversion Notice is received by the Corporation (or in the event that no surrender of the Certificate is required, then only upon the receipt by the Corporation of the Conversion Notice) (the "Conversion Documents"), and the person or entity whose name is noted on the certificate evidencing such shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock at and after such time. In the event that the Conversion Notice is sent via facsimile transmission, the Corporation shall be deemed to have received such Conversion Notice on the first business day on which such facsimile Conversion Notice is actually received. If the Corporation fails to deliver to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion of the Series 12 Class L Preferred Stock within seven (7) business days after receipt by the Corporation from the holder of an appropriate and timely Conversion Notice and certificates pursuant to the terms of this Section 4.3 ("Seven (7) Business Day Period"), then, upon the written demand of RBB Bank Aktiengesellschaft ("RBB Bank"), the holder of the Series 12 Class L Preferred Stock, for payment of the penalty described below in this Section 4.3, which demand must be received by the Corporation no later than ten (10) calendar days after the expiration of such Seven (7) Business Day Period, the Corporation shall pay to RBB Bank the following penalty for each business day after the Seven (7) Business Day Period until the Corporation delivers to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to

receive as a result of such conversion: business day eight (8) - U.S. \$1,000; business day nine (9) - U.S. \$2,000, and each business day thereafter an amount equal to the penalty due on the immediately preceding business day times two (2) until the Corporation delivers to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion.

4.4 Merger or Consolidation. In case of either (a) any merger or consolidation to which the Corporation is a party (collectively, the "Merger"), other than a Merger in which the Corporation is the surviving or continuing corporation, or (b) any sale or conveyance to another corporation of all, or substantially all, of the assets of the Corporation (collectively, the "Sale"), and such Merger or Sale becomes effective (x) while any shares of Series 12 Class L Preferred Stock are outstanding and prior to the date that the Corporation's Registration Statement covering up to 1,379,311 shares of Common Stock issuable upon the conversion of the Series 12 Class L Preferred Stock is declared effective by the U. S. Securities and Exchange Commission or (y) prior to the end of the restriction periods in Section 4.1, then, in such event, the Corporation or such successor corporation, as the case may be, shall make appropriate provision so that the holder of each share of Series 12 Class L Preferred Stock then outstanding shall have the right to convert such share of

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Series 12 Class L Preferred Stock into the kind and amount of shares of stock or other securities and property receivable upon such Merger or Sale by a holder of the number of shares of Common Stock into which such shares of Series 12 Class L Preferred Stock could have been converted into immediately prior to such Merger or Sale, subject to adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Part 4.

4.5 Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. If the Corporation at any time or from time to time while shares of Series 12 Class L Preferred Stock are issued and outstanding shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

4.6 Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series 12 Class L Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.4 hereof), the Conversion Price shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series 12 Class L Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Series 12 Class L Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series 12 Class L Preferred Stock immediately before that change.

4.7 **Common Stock Duly Issued.** All Common Stock which may be issued upon conversion of Series 12 Class L Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

4.8 **Notice of Adjustments.** Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Part 4, the Corporation, at its expense, within a reasonable period of time, shall compute such adjustment or readjustment in accordance with the terms hereof and

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prepare and furnish to each holder of Series 12 Class L Preferred Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment is based.

4.9 **Issue Taxes.** The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of the Series 12 Class L Preferred Stock pursuant thereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder of Series 12 Class L Preferred Stock in connection with such conversion.

4.10 **Reservation of Stock Issuable Upon Conversion.** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series 12 Class L Preferred Stock, such number of its shares of Common Stock as shall, from time to time, be sufficient to effect the conversion of all outstanding shares of the Series 12 Class L Preferred stock, and, if at any time, the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series 12 Class L Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to its Certificate of Incorporation.

4.11 **Fractional Shares.** No fractional shares shall be issued upon the conversion of any share or shares of Series 12 Class L Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series 12 Class L Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fractional share of Common Stock, such fractional share shall be rounded up to the nearest whole share.

4.12 **Notices.** Any notices required by the provisions of this Part 4 to be given to the holders of shares of Series 12 Class L Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

4.13 **Business Day.** As used herein, the term "business day" shall mean any day other than a Saturday, Sunday or a day when the federal and state banks located in the State of New York are required or is permitted to close.

Part 5 - Redemption.

5.1 Redemption at Corporation's Option. Except as otherwise provided in this Section 5.1, at any time, and from time to time, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, at any time, and from time to time, (i) for a period of 120 days from the date of issuance of the Series 12 Class L Preferred Stock up to an aggregate of 300 shares of the Series 12 Class L Preferred Stock at the cash redemption price of \$1,000 per share, and (ii) the then outstanding Series 12 Class L Preferred Stock at the following cash redemption prices if redeemed during the following periods: (a) within one year from July 15, 1999 - \$1,100 per share, except as otherwise provided in (i) above and (b) after one year from July 15, 1999 - \$1,200 per share (as applicable, the redemption price of \$1,000, \$1,100 or \$1,200 is referred to herein as the "Redemption Price").

5.2 Mechanics of Redemption. Prior to any date stipulated by the Corporation for the redemption of Series 12 Class L Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 12 Class L Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 12 Class L Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 12 Class L Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series 12 Class L Preferred Stock to be redeemed as provided in this Part 5 and, if the Redemption Notice is mailed to the Holder after the first year from the date of issuance of the Series 12 Class L Preferred Stock, the number of shares to be converted into Common Stock as provided in Part 4 hereof.

5.3 Rights of Conversion Upon Redemption. If the redemption occurs during the first 12 months after the issuance of the Series 12 Class L Preferred Stock, the holder may not convert any redeemed shares. If the redemption occurs after the first twelve months after the first issuance of Series 12 Class L Preferred Stock, then, upon receipt of the Redemption Notice, any holder of Series 12 Class L Preferred Stock shall have five business days during which it may exercise the option, at its sole election, to specify what portion of its Series 12 Class L Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 5 or converted into Common Stock in the manner provided in Part 4 hereof, except that, notwithstanding any provision of such Part 4 to the contrary, after one year from the date of first issuance of the Series 12 Class L Preferred Stock, such holder shall have the right to convert into Common Stock that number of Series 12 Class L Preferred Stock called for redemption in the Redemption Notice.

5.4 Surrender of Certificates. On or before the Redemption Date in respect of any Series 12 Class L Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 5.6 hereof, to the order of

the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall be canceled and retired. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 12 Class L Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

5.5 Payment. On the Redemption Date in respect of any Series 12 Class L Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all such shares called from redemption (less the aggregate Redemption Price for those Series 12 Class L Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Series 12 Class L Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the Redemption Price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

Part 6 - Parity with Other Shares of Series 12 Class L Preferred Stock and Priority.

6.1 Rateable Participation. If any cumulative dividends or return of capital in respect of Series 12 Class L Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

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6.2 Ranking. For purposes of this resolution, any stock of any class or series of the Corporation shall be deemed to rank:

6.2.1 Prior or senior to the shares of this Series 12 Class L Preferred Stock either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of this Series 12 Class L Preferred Stock;

6.2.2 On a parity with, or equal to, shares of this Series 12 Class L Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment

dates, or redemption or liquidation prices per share or sinking fund provisions, if any, are different from those of this Series 12 Class L Preferred Stock, if the holders of such stock are entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or

involuntary,

in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and over the other, as between the holders of such stock and the holders of shares of this Series 12 Class L Preferred Stock; and,

6.2.3 Junior to shares of this Series 12 Class L Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock or if the holders of shares

of this Series 12 Class L Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or series.

Part 7 - Amendment and Reissue.

7.1 **Amendment.** If any proposed amendment to the Corporation's Certificate of Incorporation (the "Articles") would alter or change the powers, preferences or special rights of the Series 12 Class L Preferred Stock so as to affect such adversely, then the Corporation must obtain the affirmative vote of such amendment to the Articles at a duly called and held series meeting of the holders of the Series 12 Class L Preferred Stock or written consent by the holders of a majority of the Series 12 Class L Preferred Stock then outstanding. Notwithstanding the above or the provisions of Section 242(b)(2) of the GCL, the number

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of authorized shares of any class or classes of stock of the Corporation may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of the provisions of this Section 7.1 or Section 242(b)(2) of the GCL.

7.2 **Authorized.** Any shares of Series 12 Class L Preferred Stock acquired by the Corporation by reason of purchase, conversion, redemption or otherwise shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred Stock hereafter created.

**CERTIFICATE OF DESIGNATIONS
OF SERIES 13 CLASS M CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 13 Class M Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 13 Class M Convertible Preferred Stock as set forth in the attached resolutions.

Dated: July 15, 1999

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By /s/ Louis F. Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecy
Richard T. Kelecy, Secretary

**PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")**

RESOLUTION OF THE BOARD OF DIRECTORS

**FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 13 CLASS M CONVERTIBLE PREFERRED STOCK**

RE: DESIGNATION OF SERIES 13 CLASS M PREFERRED STOCK.

RESOLVED: That the designations, powers, preferences and rights of the Series 13 Class M Convertible Preferred Stock be, and they hereby are, as set forth below:

1. Number of Shares of Common Stock of Series 13 Class M Convertible Preferred Stock

The Corporation hereby authorizes the issuance of up to two thousand two hundred fifty-two (2,252) shares of Series 13 Class M Convertible Preferred Stock par value \$.001 per share (the "Preferred Stock"). This Preferred Stock shall pay an annual dividend based on a 365 day calendar year of 4% of the Liquidation Value (as defined in Section 3 hereof) ("Dividend Rate"), payable semiannually within ten (10) business days after each subsequent June 30th and December 31st (each a "Dividend Declaration Date"), and shall be payable in cash or shares of the Corporation's par value \$.001 per share common stock (Common Stock) at the Corporation's option. The first Dividend Declaration Date shall be December 31st, 1998.

In the event that the Corporation elects to pay the accrued dividends due as of a Dividend Declaration Date on the outstanding shares of Preferred Stock in Common Stock of the Corporation, the Holder of each share of Preferred Stock shall receive that number of shares of Common Stock equal to the product of (a) the quotient of (i) the Dividend Rate divided by (ii) the average of the closing bid quotation of the Corporation's Common Stock as reported on the National Association of Securities Dealers Automated Quotation system ("NASDAQ"), or if the Common Stock is not listed for trading on the NASDAQ but is listed for trading on a national securities exchange, the average closing bid price of the Common Stock as quoted on such national exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"), times (b) a fraction, the numerator of which is the number of days elapsed during the period for which the dividend is to be paid, and the denominator of which is 365. Dividends on the Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Corporation's Common Stock until all accrued and unpaid dividends on all outstanding shares of Preferred Stock shall have been paid or declared and set aside for payment.

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2. Voting.

Except as provided under Section 242 of the GCL, holders of Preferred Stock (the "Holders") shall not have the right to vote on any matter. Notwithstanding the provisions of Section 242 of the GCL or Section 4 hereof, the number of authorized shares of any class or classes of stock of the Corporation may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of the provisions of Section 242 of the GCL.

3. Liquidation.

In the event of a voluntary or involuntary dissolution, liquidation, or winding up of the Corporation, the Holders of Preferred Stock shall be entitled to receive out of the assets of the Corporation legally available for distribution to holders of its capital stock, before any payment or distribution shall be made to holders of shares of Common Stock or any other class of stock ranking junior to the Preferred Stock, an amount per share of Preferred Stock equal to \$1,000 (the "Liquidation Value") plus any accrued and unpaid dividends on the Preferred Stock. If upon such liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, the assets to be distributed among the Holders of Preferred Stock shall be insufficient to permit payment to the Holders of Preferred Stock of the amount distributable as aforesaid, then the entire assets of the Corporation to be so distributed shall be distributed ratably among the Holders of Preferred Stock and shares of such other classes or series ranking on a parity with the shares of this Preferred Stock in proportion to the full distributable amounts for which holders of all such parity shares are entitled upon such distribution, liquidation, or winding up. Upon any such liquidation, dissolution or winding up of the Corporation, after the Holders of Preferred Stock shall have been paid in full the amounts to which they shall be entitled, the remaining net assets of the Corporation may be distributed to the holders of stock ranking on liquidation junior to the Preferred Stock and the Holders of the Preferred Stock shall have no right or claim to any of the remaining assets of the Corporation. Written notice of such liquidation, dissolution or winding up, stating a payment date, the amount of the liquidation payments and the place where said liquidation payments shall be payable, shall be given by mail, postage prepaid or by telex or facsimile to non-U.S. residents, not less than 10 days prior to the payment date stated therein, to the Holders of record of Preferred Stock, such notice to be addressed to each such Holder at its address as shown by the records of the Corporation. For purposes hereof the shares of Common Stock, shall rank on liquidation junior to the Preferred Stock.

4. Restrictions.

The Corporation will not amend or modify the terms of its Restated Certificate of Incorporation so as to adversely alter or change the Preferred Stock at any time when shares of Preferred Stock are outstanding, without the approval of the Holders of at least a majority of the then outstanding shares of Preferred Stock given in writing or

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by vote at a meeting, consenting or voting (as the case may be) separately as a series, except where the vote or written consent of the Holders of a greater number of shares of Common Stock of the Corporation is required by law or by the Corporation's Certificate of Incorporation, as amended.

5. Optional Conversion.

The Holders of shares of Preferred Stock shall have the following conversion rights to convert the shares of Preferred Stock into shares of Common Stock of the Corporation:

(a) No Right to Convert. The Preferred Stock shall not be convertible into shares of Common Stock until after July 15, 2000.

(b) Conversion Dates. The Preferred Stock may be convertible into shares of Common Stock at any time after July 15, 2000.

(c) Right to Convert; Conversion Price. Subject to the terms hereof, as used herein, the term Conversion Price per outstanding share of Preferred Stock shall be One Dollar and 875/100 (\$1.875); except that after the expiration of one hundred and eighty (180) days after the Closing Date if the average of the closing bid price per share of Common Stock quoted on the NASDAQ (or the closing bid price of the Common Stock as quoted on the national securities exchange if the Common Stock is not listed for trading on the NASDAQ but is listed for trading on a national securities exchange) for the five (5) trading days immediately prior to the particular date of each Conversion Notice (as defined below) is less than Two Dollars and 34/100 (\$2.34), then the Conversion Price for that particular conversion shall be eighty percent (80%) of the average of the closing bid price of the Common Stock on the NASDAQ (or if the Common Stock is not listed for trading on the NASDAQ but is listed for trading on a national securities exchange then eighty percent (80%) of the average of the closing bid price of the Common Stock on the national securities exchange) for the five (5) trading days immediately prior to the particular date of the Conversion Notice. Notwithstanding the foregoing, the Conversion Price shall not be less than a minimum of \$1.50 per share ("Minimum Conversion Price") for a period of twenty-four (24) months from the date of issuance of the Preferred Stock.

If any of the outstanding shares of Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Section 5(b), the number of shares of whole Common Stock to be issued to the Holder as a result of such conversion shall be determined by dividing (a) the aggregate Stated Value of the Preferred Stock so surrendered for conversion by (b) the Conversion Price in effect on the date of that particular Conversion Notice relating to such conversion. At the time of conversion of shares of the Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon on the shares of Preferred so converted to the date of the Conversion Notice relating to such conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of shares of whole Common Stock which is equal to the quotient of the amount of such unpaid and accrued dividends to the date of the Conversion Notice

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relating to such conversion of the shares of Preferred Stock so converted divided by the Stock Dividend Price, in effect at the date of the Conversion Notice relating to such conversion.

(c) Conversion Notice. The right of conversion shall be exercised by the Holder thereof by telecopying or faxing an executed and completed written notice signed by an authorized representative of the Holder, ("Conversion Notice") to the Corporation that the Holder elects to convert a specified number of shares of Preferred Stock representing a specified Stated Value thereof into shares of Common Stock and by delivering by express courier the certificate or certificates of Preferred Stock being converted to the Corporation at its principal office (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the Holders of the Preferred Stock). The business date indicated on a Conversion Notice which is telecopied to and received by the Corporation in accordance with the provisions hereof shall be deemed a Conversion Date. The Conversion Notice shall include therein the Stated Value of shares of Preferred Stock to be converted, and a calculation (a) of the Stock Dividend Price, (b) the Conversion Price, and (c) the number of Shares of Common Stock to be issued in connection with such conversion. The Corporation shall have the right to review the calculations included in the Conversion Notice, and shall provide notice of any discrepancy or dispute therewith within three (3) business days of the receipt thereof. The Holder shall deliver to the Corporation an

original Conversion Notice and the original Preferred to be converted within three (3) business days from the date of the Conversion Notice.

(d) Issuance of Certificates - Time Conversion Effected. Promptly, but in no event more than six (6) business days, after the receipt by facsimile of the Conversion Notice referred to in Subparagraph (5)(c); and provided within the six (6) business days the Corporation receives the certificate or certificates for the shares of Preferred Stock to be converted, the Corporation shall issue and deliver, or cause to be issued and delivered, to the Holder, registered in the name of the Holder, a certificate or certificates for the number of whole shares of Common Stock into which such shares of Preferred Stock are converted. Such conversion shall be deemed to have been effected as of the close of business on the date on which the telecopy or facsimile Conversion Notice shall have been received by the Corporation, and the rights of the Holder of such share or shares of Preferred Stock shall cease, at such time, and the Holder or Holders shall be deemed to have become the Holder or Holders of record of the shares of Common Stock represented thereby.

In the event that the shares of Common Stock issuable upon conversion of the Preferred, is not delivered within six (6) business days of the date the Company receives the Conversion Notice, the Company shall pay to the Buyer, by wire transfer, as liquidated damages for such failure and not as a penalty, for each \$100,000 of Preferred sought to be converted, \$500 for each of the first five (5) calendar days and \$1,000 per calendar day thereafter that the shares of Common Stock are not delivered, which liquidated damages shall begin to run from the seventh (7th) business day after the Conversion Date. Any and all payments required pursuant to this paragraph shall be payable only in cash. Notwithstanding the above, liquidated damages shall not exceed \$2,000.00 per day. In addition to the liquidated damages set forth herein, in the event the Company fails to deliver the shares of Common Stock within six (6) business days after the Conversion date, the

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Company agrees to issue the larger number of shares of Common Stock derived from (i) the original Conversion Notice, or (ii) utilizing the five lowest closing bid prices of the Company's shares of Common Stock beginning on the Conversion Date and ending on the day the shares of Common Stock are delivered. The Company understands that a delay in the issuance of the shares of Common Stock could result in economic loss to the Holder. Nothing contained herein, or in the Preferred shall limit the Holder's rights to pursue actual damages for the Company's failure to issue and deliver shares of Common Stock to the Holder in accordance with the terms of the Certificate of Designations, and this Agreement.

(e) Fractional Shares of Common Stock. No fractional shares of Common Stock shall be issued upon conversion of any Preferred Stock into shares of Common Stock. All fractional shares of Common Stock shall be aggregated and then rounded down to the nearest whole share of Common Stock. In case the number of shares of Preferred Stock represented by the certificate or certificates surrendered pursuant to Subparagraph 5(b) exceeds the number of shares of Common Stock converted, the Corporation shall, upon such conversion, execute and deliver to the Holder, at the expense of the Corporation, a new certificate or certificates for the number of shares of Preferred Stock represented by the certificate or certificates surrendered which are not to be converted.

(f) Merger or Consolidation. In case of either (a) any merger or consolidation to which the

Corporation is a party (collectively, the "Merger"), other than a Merger in which the Corporation is the surviving or continuing corporation, or (b) any sale or conveyance to another corporation of all, or substantially all, of the assets of the Corporation (collectively, the "Sale"), and such Merger or Sale becomes effective (x) while any shares of Preferred Stock are outstanding and prior to the date that the Corporation's Registration Statement covering all the shares of Common Stock issuable upon the conversion of the Preferred Stock is declared effective by the U.S. Securities and Exchange Commission ("Commission"), the Corporation or such successor corporation as the case may be, shall make appropriate provision so that the Holder of each share of Preferred Stock then outstanding shall have the right to convert such share of Preferred Stock into the kind and amount of shares of stock or other securities and property receivable upon such Merger or Sale by a holder of the number of shares of Common Stock into which such shares of Preferred Stock could have been converted into immediately prior to such Merger or Sale, subject to adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 5.

In the event of a Merger or Sale, where the Corporation is not the surviving Corporation, the Holder shall have the right to redeem all of the outstanding shares of Preferred Stock at 120% of the Liquidation Value of each share of Preferred Stock then outstanding plus all accrued and unpaid dividends (the "Redemption Amount"). The Corporation shall pay this Redemption Amount in cash within ten (10) business days of receipt by the Corporation of notice from the Holder, and receipt by the Corporation of all outstanding shares of Preferred Stock duly endorsed by the Holder to the Corporation.

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(g) Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. If the Corporation at any time or from time to time while shares of Preferred Stock are issued and outstanding shall declare or pay, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

(h) Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of Common Stock of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination or shares of Common Stock provided for in Section 5(g) hereof), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Preferred Stock would otherwise have been entitled to receive, a number of shares of Common Stock of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Preferred Stock immediately before that change.

6 Redemption.

(a) Redemption at Corporation's Option. Except as otherwise provided in this Section 6, at any time, and from time to time, the Corporation may, at its sole option, but shall not be obligated

to, redeem, in whole or in part, at any time, and from time to time (i) for a period of 120 days from the date of issuance of the Preferred Stock up to an aggregate of 450 shares of Series 13 Class M Preferred Stock at the cash redemption price of \$1,000 per share and (ii) the then outstanding Series 13 Class M Preferred Stock at the following cash redemption prices if redeemed during the following periods: (a) within one year from July 15, 1999 - \$1,100 per share, except as otherwise provided in (i) above, and (b) after one year from July 15, 1999 - \$1,200 per share (as applicable, the redemption price of \$1,000, \$1,100 or \$1,200 is referred to herein as the "Redemption Price").

(b) **Mechanics of Redemption.** Prior to any date stipulated by the Corporation for the redemption of Series 13 Class M Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 13 Class M Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 13 Class M Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 13 Class M Preferred Stock to be redeemed from such holder, and (iv)

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instructions as to how to specify to the Corporation the number of Series 13 Class M Preferred Stock to be redeemed as provided in this Part 6 and, if the Redemption Notice is mailed to the Holder after the first year from the date of issuance of the Series 13 Class M Preferred Stock, the number of shares to be converted into Common Stock as provided in Part 5 hereof.

(c) **Rights of Conversion Upon Redemption.** If the redemption occurs during the first 12 months after the issuance of the Preferred Stock, the holder may not convert any redeemed shares. If the redemption occurs after the first year after the first issuance of Series 13 Class M Preferred Stock, then, upon receipt of the Redemption Notice, any holder of Series 13 Class M Preferred Stock shall have five business days during which it may exercise the option, at its sole election, to specify what portion of its Series 13 Class M Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 6 or converted into Common Stock in the manner provided in Part 5 hereof, except that, notwithstanding any provision of such Part 5 to the contrary, after one year from the date of first issuance of the Preferred Stock, such holder shall have the right to convert into Common Stock that number of Series 13 Class M Preferred Stock called for redemption in the Redemption Notice.

(d) **Surrender of Certificates.** On or before the Redemption Date in respect of any Series 13 Class M Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall be canceled and retired. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 13 Class M Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

(e) **Payment.** On the Redemption Date in respect of any Series 13 Class M Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price

of all such shares called from redemption (less the aggregate Redemption Price for those Series 13 Class M Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Series 13 Class M Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the Redemption Price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid

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to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

7. Assignment.

Subject to all applicable restrictions on transfer, the rights and obligations of the Corporation and the Holder of the Preferred Stock shall be binding upon and benefit the successors, assigns, heirs, administrators, and transferees of the parties.

8. Shares of Common Stock to be Reserved.

The Corporation, upon the effective date of this Certificate of Designations, has a sufficient number of shares of Common Stock available to reserve for issuance upon the conversion of all outstanding shares of Preferred Stock, pursuant to the terms and conditions set forth in Section 5, and exercise of the Warrants as defined in Section 12. The Corporation will at all times reserve and keep available out of its authorized shares of Common Stock, solely for the purpose of issuance upon the conversion of Preferred Stock, and exercise of the Warrants, as herein provided, such number of shares of Common Stock as shall then be issuable upon the conversion of all outstanding shares of Preferred Stock, and exercise of the Warrants. The Corporation covenants that all shares of Common Stock which shall be so issued shall be duly and validly issued, fully paid and non assessable. The Corporation will take such action as may be required, if the total number of shares of Common Stock issued and issuable after such action upon conversion of the Preferred Stock, and exercise of the Warrants would exceed the total number of shares of Common Stock then authorized by the Corporation's Certificate of Incorporation, as amended, or would exceed 19.99% of the shares of Common Stock then outstanding if required by law or the Rules and Regulations of NASDAQ or the National Securities Exchange applicable to the Corporation to take such action as a result of exceeding such 19.99%, in order to increase the number of shares of Common Stock to permit the Corporation to issue the number of shares of Common Stock required to effect conversion of the Preferred, and exercise of the Warrants, to a number sufficient to permit conversion of the Preferred Stock, and exercise of the Warrants, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to the Corporation's Restated Certificate of Incorporation, and to obtain shareholders approval in order to effect conversion of the Preferred Stock, and exercise of the Warrants, if required by law or the rules or regulations of the NASDAQ or National Securities Exchange applicable to the Corporation.

8(a) Shareholder Approval. In connection with the issuance to the Holder of the shares of Preferred Stock, pursuant to this Certificate of Designations, the Corporation is also issuing (i) certain warrants ("RBB Warrants") to the Holder pursuant to the terms of that certain Private Securities Subscription Agreement dated June 30, 1998 (the "Agreement"), providing for the purchase of up to 150,000 shares of Common Stock at an exercise price of \$2.50 per share and (ii) certain warrants (collectively, the "Liviakis Warrants") to Liviakis Financial Communication, Inc. ("Liviakis") and Robert B. Prag providing for the

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purchase of up to an aggregate of 2,500,000 shares of Common Stock at an exercise price of \$1.875 per share pursuant to the terms of that Liviakis Agreement dated June 30, 1998, between Liviakis and the Corporation.

If (i) the aggregate number of shares of Common Stock issued by the Corporation as a result of any or all of the following: (a) conversion of the Preferred Stock, (b) payment of dividends accrued on the Preferred Stock (c) exercise of the RBB Warrants, and (d) exercise of the Liviakis Warrants exceeds 2,388,347 shares of Common Stock (which equals 19.9% of the outstanding shares of Common Stock of the Corporation as of the date of this Certificate of Designations) and (ii) the Holder has converted or elects to convert any of the then outstanding shares of Preferred Stock pursuant to the terms of Section 5 at a Conversion Price less than \$ 1.875 (\$1.875 being the market value per share of Common Stock as quoted on the NASDAQ as of the close of business on June 30, 1998) pursuant to the terms of Section 5(b) hereof, other than if the Conversion Price is less than \$ 1.875 solely as a result of the anti-dilution provisions of Section 5(g) and (h) hereof, then, notwithstanding anything in Section 5 to the contrary, the Corporation shall not issue any shares of Common Stock as a result of receipt of a Conversion Notice unless and until the Corporation shall have obtained approval of its shareholders entitled to vote on the transactions in accordance with subparagraphs (25)(H)(i)d, (iv) and (v) of Rule 4310 of the NASDAQ Marketplace Rules ("Shareholder Approval").

If Shareholder Approval is required as set forth in the above paragraph, the Corporation shall take all necessary steps to obtain such Shareholder Approval upon receipt of the Conversion Notice triggering the need for Shareholder Approval ("Current Conversion Notice"). If the Corporation has not received from the Holder a Current Conversion Notice, the Holder, subsequent to January 1st, 1999 may, if the Corporation's shares of Common Stock trade, subsequent to January 1st, 1999, at a five (5) day average closing bid price below Two Dollars and 34/00 (\$2.34), upon written notice to the Corporation, require the Corporation to obtain Shareholder Approval ("Holder's Notice"). The Holder and the Corporation's officers and directors covenant to vote all shares of Common Stock over which they have voting control in favor of Shareholder Approval. If the Corporation does not obtain Shareholder Approval within ninety (90) days of the earlier of the Corporation's receipt of (i) the Current Conversion Notice or (ii) the Holder's Notice, and the Holder has not breached its covenant to vote all shares of Common Stock over which they have voting control in favor of Shareholder Approval, the Corporation shall pay in cash to the Holder liquidated damages, in an amount of 4% per month of the Liquidation Value of each share of Preferred Stock then outstanding, commencing on the 91st day of the Corporation's receipt of the Holder's Current Conversion Notice, and continuing every thirty (30) days pro-rata until such time the Corporation receives Shareholder Approval.

9. No Reissuance of Series 13 Class M Convertible Preferred Stock.

Shares of Preferred Stock which are converted into shares of Common Stock as provided herein shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred stock hereafter created.

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10. Closing of Books.

The Corporation will at no time close its transfer books against the transfer of any Preferred Stock or of any shares of Common Stock issued or issuable upon the conversion of any shares of Common Stock of Preferred Stock in any manner which interferes with the timely conversion of such Preferred Stock, except as may otherwise be required to comply with applicable securities laws.

11. No Preemptive Rights.

The Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

12. Definition of Shares.

As used in this Certificate of Designations, the term "shares of Common Stock" shall mean and include the Corporation's authorized common stock, par value \$.001, as constituted on the date of filing of these terms of the Preferred Stock, or in case of any reorganization, reclassification, or stock split of the outstanding shares of Common Stock thereof, the stock, securities or assets provided for hereof. The term "Warrants" as used herein shall have the same meaning as defined in Section 1 of the Private Securities Subscription Agreement, dated June 30, 1998, between the Company and RBB Bank Aktiengesellschaft.

The said determination of the designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, relating to the Preferred Stock was duly made by the Board of Directors pursuant to the provisions of the Corporation's Restated Certificate of Incorporation and in accordance with the provisions of the Delaware General Corporation Law.

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 12:33 PM -- 07/15/1999
991291292 -- 2249849

CERTIFICATE OF ELIMINATION

**OF
SERIES 3 CLASS C CONVERTIBLE PREFERRED STOCK
AND
SERIES 8 CLASS H CONVERTIBLE PREFERRED STOCK
AND
SERIES 10 CLASS J CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

PERMA-FIX ENVIRONMENTAL SERVICES, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies the following:

1. That the Certificate of Designations of Series 3 Class C Convertible Preferred Stock, par value \$.001 per share, of the Corporation (the "Series 3 Preferred") was filed with the Delaware Secretary of State on July 19, 1996 (the "Series 3 Certificate of Designations").

2. That all outstanding shares of the Series 3 Preferred have been delivered to the Company and exchanged pursuant to an agreement with the holder thereof in accordance with the terms and conditions of a certain Exchange Agreement between the Company and RBB Bank Aktiengesellschaft, dated as of July 15, 1999.

3. That no shares of Series 3 Preferred remain outstanding.

4. That all shares of the Series 3 Preferred which have been exchanged have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

5. That effective July 15, 1999, the Board of Directors of the Company duly adopted the following resolutions:

RESOLVED, that upon completion of the exchange with the holder of the Series 3 Class C Convertible Preferred Stock, no authorized shares of Series 3 Class C Convertible Preferred Stock will remain outstanding and no shares of Series 3 Class C Convertible Preferred Stock will be issued subject to the Certificate of Designations previously filed with respect to the Series 3 Class C Convertible Preferred Stock.

FURTHER RESOLVED, that upon completion of the exchange, the officers of the Company are hereby authorized and directed, for and on behalf of the Company, to execute and deliver an appropriate Certificate of Elimination to the Secretary of State of Delaware regarding the Series 3 Class C Convertible Preferred Stock.

6. That the Certificate of Designations of the Series 8 Class H Convertible Preferred Stock, par value \$.001 per share, of the Corporation (the "Series 8 Preferred") was filed on July 16, 1998 (the "Series 8 Certificate of Designations").

7. That all outstanding shares of the Series 8 Preferred have been delivered to the Company and exchanged pursuant to an agreement with the holder thereof in accordance with the terms and conditions of a certain Exchange Agreement between the Company and RBB

Bank, dated as of July 15, 1999.

8. That no shares of Series 8 Preferred remain outstanding.

9. That all shares of the Series 8 Preferred which have been exchanged have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

10. That effective July 15, 1999, the Board of Directors of the Company duly adopted the following resolutions:

RESOLVED, that upon completion of the exchange with the holder of the Series 8 Class H Convertible Preferred Stock, no authorized shares of Series 8 Class H Convertible Preferred Stock will remain outstanding and no shares of Series 8 Class H Convertible Preferred Stock will be issued subject to the Certificate of Designations previously filed with respect to the Series 8 Class H Convertible Preferred Stock.

FURTHER RESOLVED, that upon completion of the exchange, the officers of the Company are hereby authorized and directed, for and on behalf of the Company, to execute and deliver an appropriate Certificate of Elimination to the Secretary of State of Delaware regarding the Series 8 Class H Convertible Preferred Stock.

11. That the Certificate of Designations of the Series 10 Class J Convertible Preferred Stock, par value \$.001 per share, of the Corporation (the "Series 10 Preferred") was filed on July 10, 1998 (the "Series 10 Certificate of Designations").

12. That all outstanding shares of the Series 10 Preferred have been delivered to the Company and exchanged pursuant to an agreement

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with the holder thereof in accordance to the terms and conditions of a certain Exchange Agreement between the Company and RBB Bank, dated as of July 15, 1999.

13. That no shares of Series 10 Preferred remain outstanding.

14. That all shares of the Series 10 Preferred which have been exchanged have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

15. That effective July 15, 1999, the Board of Directors of the Company duly adopted the following resolutions:

RESOLVED, that upon completion of the exchange with the holder of the Series 10 Class J Convertible Preferred Stock, no authorized shares of Series 10 Class J Convertible Preferred Stock will remain outstanding and no shares of Series 10 Class J Convertible Preferred Stock will be issued subject to the Certificate of Designations previously filed with respect to the Series 10 Class J Convertible

Preferred Stock.

FURTHER RESOLVED, that upon completion of the exchange, the officers of the Company are hereby authorized and directed, for and on behalf of the Company, to execute and deliver an appropriate Certificate of Elimination to the Secretary of State of Delaware regarding the Series 10 Class J Convertible Preferred Stock.

16. That pursuant to the provisions of Section 151(g) of the Delaware General Corporation Law, upon the effective date of the filing of this Certificate, this Certificate will have the effect of eliminating from the Restated Certificate of Incorporation only those matters set forth in the Restated Certificate of Incorporation with respect to the Series 3 Class C Convertible Preferred Stock, the Series 8 Class H Convertible Preferred Stock, and the Series 10 Class J Convertible Preferred Stock

IN WITNESS WHEREOF, this Certificate of Elimination has been executed this 15th day of July, 1999, by the President of the Company.

ATTEST:

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

/s/ Richard T. Kelecy
Richard T. Kelecy, Secretary

By /s/ Louis Centofanti
Dr. Louis F. Centofanti, President

(SEAL)

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 12:30 PM -- 08/10/1999
991331578 -- 2249849

**CERTIFICATE OF DESIGNATIONS
OF SERIES 14 CLASS N CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 14 Class N Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 14 Class N Convertible Preferred Stock as set forth in the attached resolutions.

Dated: August 10, 1999

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

By /s/ Louis Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecy
Richard T. Kelecy, Secretary

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")

**RESOLUTION OF THE BOARD OF DIRECTORS
FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 14 CLASS N CONVERTIBLE PREFERRED STOCK**

WHEREAS,

- A. The Corporation's share capital includes Preferred Stock, par value \$.001 per share ("Preferred Stock"), which Preferred Stock may be issued in one or more series by the Board of Directors of the Corporation (the "Board") being entitled by resolution to fix the number of shares in each series and to designate the rights, designations, preferences, and relative, participating, optional or other special rights, privileges, restrictions and conditions attaching to the shares of each such series; and
- B. It is in the best interests of the Corporation for the Board to create a new series from the Preferred Stock designated as the Series 14 Class N Convertible Preferred Stock, par value \$.001.

NOW, THEREFORE, BE IT RESOLVED, THAT:

The Series 14 Class N Convertible Preferred Stock, par value \$.001 (the "Series 14 Class N Preferred Stock") of the Corporation shall consist of 1,769 shares and no more and shall be designated as the Series 14 Class N Convertible Preferred Stock, and the preferences, rights, privileges, restrictions and conditions attaching to the Series 14 Class N Preferred Stock shall be as follows:

Part 1 - Voting and Preemptive Rights.

1.1 **Voting Rights.** Except as otherwise provided herein, in the Corporation's Certificate of Incorporation (the "Articles") or the General Corporation Law of the State of Delaware (the "GCL"), the holders of the Series 14 Class N Preferred Stock shall have no voting rights whatsoever. To the extent that under the GCL the vote of the holders of the Series 14 Class N Preferred Stock, voting separately as a class or series as applicable, is required to authorize a given action of the Corporation, the affirmative vote or consent of the holders of at least a majority of the shares of the Series 14 Class N Preferred Stock represented at a duly held meeting at which a quorum is present or by written consent of a majority of the shares of Series 14 Class N Preferred Stock (except as otherwise may be required under the GCL) shall constitute the approval of such action by the series. To the extent that under the GCL the holders of the Series 14 Class N

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Preferred Stock are entitled to vote on a matter with holders of Corporation's Common Stock and/or any other class or series of the Corporation's voting securities, the Series 14 Class N Preferred Stock, the Corporation's Common Stock and all other classes or series of the Corporation's voting securities shall vote together as one class, with each share of Series 14 Class N Preferred Stock entitled to a number of votes equal to the number of shares of the Corporation's Common Stock into which it is then convertible using the record date for the taking of such vote of stockholders as the date as of which the Conversion Price (as defined in Section 4.3 hereof) is calculated and conversion is effected. Holders of the Series 14 Class N Preferred Stock shall be entitled to notice of (and copies of proxy materials and other information sent to stockholders) for all shareholder meetings or written consents with respect to which they would be entitled to vote, which notice would be provided pursuant to the Corporation's bylaws and applicable statutes.

1.2 **No Preemptive Rights.** The Series 14 Class N Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

Part 2 - Liquidation Rights.

2.1 **Liquidation.** If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any shares of the Series 14 Class N Preferred Stock shall be outstanding, the holders of the then outstanding Series 14 Class N Preferred Stock shall have a preference in distribution of the Corporation's property available for distribution to the holders of the Corporation's Common Stock equal to \$1,000 consideration per outstanding share of Series 14 Class N Preferred Stock, plus an amount equal to all unpaid dividends accrued thereon to the date of payment of such distribution ("Liquidation Preference"), whether or not declared by the Board.

2.2 **Payment of Liquidation Preferences.** Subject to the provisions of Part 6 hereof, all amounts to be paid as Liquidation Preference to the holders of Series 14 Class N Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of the Corporation's Common Stock, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

2.3 No Rights After Payment. After the payment to the holders of the shares of the Series 14 Class N Preferred Stock of the full Liquidation Preference amounts provided for in this Part 2, the holders of the Series 14 Class N Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

2.4 Assets Insufficient to Pay Full Liquidation Preference. In the event that the assets of the Corporation available for distribution to the holders of shares of the Series 14 Class N Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all

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amounts to which such holders are entitled pursuant to this Part 2, no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series 14 Class N Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series 14 Class N Preferred Stock and shares of such other class or series ranking on a parity with the shares of this Series 14 Class N Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

Part 3 - Dividends.

3.1 The holders of the Series 14 Class N Preferred Stock are entitled to receive if, when and as declared by the Board out of funds legally available therefor, cumulative dividends, payable in cash or Common Stock of the Corporation, par value \$.001 per share (the "Common Stock"), at the Corporation's election, at the rate of six percent (6%) per annum of the Liquidation Value of the Series 14 Class N Preferred Stock. The Liquidation Value of the Series 14 Class N Preferred Stock shall be \$1,000.00 per share (the "Dividend Rate"). The dividend is payable semi-annually within seven (7) business days after each of December 31 and June 30 of each year, commencing December 31, 1999 (each, a "Dividend Declaration Date"). Dividends shall be paid only with respect to shares of Series 14 Class N Preferred Stock actually issued and outstanding on a Dividend Declaration Date and to holders of record as of the Dividend Declaration Date. Dividends shall accrue from the first day of the semi-annual period in which such dividend may be payable, except with respect to the first semi-annual dividend which shall accrue from August 3, 1999. In the event that the Corporation elects to pay dividends in Common Stock of the Corporation, each holder of the Series 14 Class N Preferred Stock shall receive shares of Common Stock of the Corporation equal to the quotient of (i) the Dividend Rate in effect on the applicable Dividend Declaration Date dividend by (ii) the average of the closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"). Dividends on the Series 14 Class N Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Common Stock until all accrued and unpaid dividends on all outstanding shares of Series 14 Class N Preferred Stock shall have been paid or declared and set aside for payment.

Part 4 - Conversion. The holders of the Series 14 Class N Preferred Stock shall have rights to convert the shares of Series 14 Class N Preferred Stock into shares of the Corporation's Common Stock, par value \$.001 per share ("Common Stock"), as follows (the "Conversion Rights"):

4.1 **No Right to Convert.** The Series 14 Class N Preferred shall not be convertible into shares of Common Stock until after April 20, 2000.

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4.2 **Right to Convert.** The Series 14 Class N Preferred Stock may be convertible into shares of Common Stock at any time on or after April 20, 2000.

4.3 **Conversion Price.** As used herein, the term Conversion Price shall be the product of (i) the average closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days immediately preceding the date of the Conversion Notice referred to in Section 4.4 below multiplied by (ii) seventy-five percent (75%), subject to the provisions of this Section 4.3. Notwithstanding the foregoing, the Conversion Price shall not be (i) less than a minimum of \$1.50 per share for a period of twenty-four (24) months from April 20, 1999, or, after twenty-four (24) months from April 20, 1999, a minimum of \$.50 per share (as applicable, the "Minimum Conversion Price") or (ii) more than a maximum of \$1.50 per share ("Maximum Conversion Price"). If, after July 1, 1996, the Corporation sustains a net loss, on a consolidated basis, in each of two (2) consecutive quarters, as determined under generally accepted accounting principles, the Minimum Conversion Price shall be reduced \$.25 a share, but there shall be no change to, or reduction of, the Maximum Conversion Price. For the purpose of determining whether the Corporation has had a net loss in each of two (2) consecutive quarters, at no time shall a quarter that has already been considered in such determination be considered in any subsequent determination (as an example the third quarter of 1996 in which there is a net profit and the fourth quarter of 1996 in which there is a net loss shall be considered as two consecutive quarters, and, as a result, the fourth quarter of 1996 shall not be considered along with the first quarter of 1997 as two (2) consecutive quarters, but the first quarter of 1997 must be considered with the second quarter of 1997 for the purposes of such determination). For the purposes of this Section 4.3, a "quarter" is a three (3) month period ending on March 31, June 30, September 30, and December 31. If any of the outstanding shares of Series 14 Class N Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Part 4, the number of shares of whole Common Stock to be issued to the holder as a result of such conversion shall be determined by dividing (a) the aggregate Liquidation Value of the Series 14 Class N Preferred Stock so surrendered for conversion by (b) the Conversion Price in effect at the date of the conversion. At the time of conversion of shares of the Series 14 Class N Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of shares of whole Common Stock which is equal to the product of dividing the amount of such unpaid and accrued dividends to the date of conversion on the shares of Series 14 Class N Preferred Stock so converted by the Conversion Price in effect at the date of conversion.

4.4 **Mechanics of Conversion.** Any holder of the Series 14 Class N Preferred Stock who wishes to exercise its Conversion Rights pursuant to the terms of this Part 4 must, if such shares are not being held in escrow by the Corporation's attorneys, surrender the certificate therefor at the principal executive office of the Corporation, and give written notice, which may be via facsimile transmission, to the Corporation at such office that it elects to convert the same (the "Conversion Notice"). In the event that the shares of Series 14 Class

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N Preferred Stock are being held in escrow by the Corporation's attorneys, no delivery of the

certificates shall be required. No Conversion Notice with respect to any shares of Series 14 Class N Preferred Stock can be given prior to the time such shares of Series 14 Class N Preferred Stock are eligible for conversion in accordance with the provision of Section 4.1 above. Any such premature Conversion Notice shall automatically be null and void. The Corporation shall, within five (5) business days after receipt of an appropriate and timely Conversion Notice (and certificate, if necessary), issue to such holder of Series 14 Class N Preferred Stock or its agent a certificate for the number of shares of Common Stock to which he shall be entitled; it being expressly agreed that until and unless the holder delivers written notice to the Corporation to the contrary, all shares of Common Stock issuable upon conversion of the Series 14 Class N Preferred Stock hereunder are to be delivered by the Corporation to a party designated in writing by the holder in the Conversion Notice for the account of the holder and such shall be deemed valid delivery to the holder of such shares of Common Stock. Such conversion shall be deemed to have been made only after both the certificate for the shares of Series 14 Class N Preferred Stock to be converted have been surrendered and the Conversion Notice is received by the Corporation (or in the event that no surrender of the Certificate is required, then only upon the receipt by the Corporation of the Conversion Notice) (the "Conversion Documents"), and the person or entity whose name is noted on the certificate evidencing such shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock at and after such time. In the event that the Conversion Notice is sent via facsimile transmission, the Corporation shall be deemed to have received such Conversion Notice on the first business day on which such facsimile Conversion Notice is actually received. If the Corporation fails to deliver to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion within five (5) business days after receipt by the Corporation from the holder of an appropriate and timely Conversion Notice and certificates pursuant to the terms of this Section 4.4, the Corporation shall pay to the holder U.S. \$1,000 for each day that the Corporation is late in delivering such certificate to the holder or its agent.

4.5 Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. If the Corporation at any time or from time to time while shares of Series 14 Class N Preferred Stock are issued and outstanding shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. If the Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common stock for no consideration, then the Corporation shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

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4.6. Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series 14 Class N Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.5 hereof), the Conversion Price then in effect shall, concurrently with the

effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series 14 Class N Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Series 14 Class N Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series 14 Class N Preferred Stock immediately before that change.

4.7 **Common Stock Duly Issued.** All Common Stock which may be issued upon conversion of Series 14 Class N Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

4.8 **Notice of Adjustments.** Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Part 4, the Corporation, at its expense, within a reasonable period of time, shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series 14 Class N Preferred Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment is based.

4.9 **Issue Taxes.** The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of the Series 14 Class N Preferred Stock pursuant thereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder of Series 14 Class N Preferred Stock in connection with such conversion.

4.10 **Reservation of Stock Issuable Upon Conversion.** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series 14 Class N Preferred Stock, such number of its shares of Common Stock as shall, from time to time, be sufficient to effect the conversion of all outstanding shares of the Series 14 Class N Preferred stock, and, if at any time, the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series 14 Class N Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to its Certificate of Incorporation.

4.11 **Fractional Shares.** No fractional share shall be issued upon the conversion of any share or shares of Series 14 Class N Preferred Stock.

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II shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series 14 Class N Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fractional share of Common Stock, such fractional share shall be rounded up to the nearest whole share.

4.12 **Notices.** Any notices required by the provisions of this Part 4 to be given to the holders of shares of Series 14 Class N Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

4.13 **Business Day.** As used herein, the term "business day" shall mean any day other than a Saturday, Sunday or a day when the federal and state banks located in the State of New York are required or permitted to close.

Part 5 - Redemption.

5.1 **Redemption at Corporation's Option.** Except as otherwise provided in this Section 5.1, at any time, and from time to time, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, at any time, and from time to time, the then outstanding Series 14 Class N Preferred Stock at the following cash redemption prices if redeemed during the following periods: (i) within twelve (12) months from April 20, 1999 - \$1,100 per share, and (ii) after twelve (12) months from April 20, 1999 - \$1,200 per share (as applicable, the redemption price of \$1,100 or \$1,200 is referred to herein as the "Redemption Price").

5.2 **Mechanics of Redemption.** Prior to any date stipulated by the Corporation for the redemption of Series 14 Class N Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 14 Class N Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 14 Class N Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 14 Class N Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series 14 Class N Preferred Stock to be redeemed as provided in this Part 5 and, if the Redemption Notice is mailed to the Holder after the first twelve (12) months from April 20, 1999, the number of shares to be converted into Common Stock as provided in Part 4 hereof.

5.3 **Mechanics of Redemption.** Prior to any date stipulated by the Corporation for the redemption of Series 14 Class N Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 14 Class N Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 14 Class N

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Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 14 Class N Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series 14 Class N Preferred Stock to be redeemed as provided in this Part 5 and, if the Redemption Notice is mailed to the Holder after the first 12 months from April 20, 1999, the number of shares to be converted into Common Stock as provided in Part 4 hereof.

5.4 **Rights of Conversion Upon Redemption.** If the redemption occurs during the first 12 months after April 20, 1999, the holder may not convert any redeemed shares. If the redemption occurs pursuant to Section 5.1 (i) hereof, the Holder of the Series 14 Class N Preferred Stock shall not have the right to convert those outstanding shares of Series 14 Class N Preferred Stock that the Company is redeeming after receipt of the Redemption Notice. If the redemption occurs pursuant to Section 5.1 (ii) hereof, then, upon receipt of the Redemption Notice, any holder of Series 14 Class N Preferred Stock shall have the next five business days during which it may exercise the option, at its sole election, to specify what portion of its Series 14 Class N Preferred

Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 5 or converted into Common Stock in the manner provided in Part 4 hereof, except that, notwithstanding any provision of such Part 4 to the contrary, after twelve (12) months from April, 20, 1999, such holder shall have the right to convert into Common Stock that number of Series 14 Class N Preferred Stock called for redemption in the Redemption Notice.

5.5 Surrender of Certificates. On or before the Redemption Date in respect of any Series 14 Class N Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 5.6 hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall be canceled and retired. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 14 Class N Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

5.6 Payment. On the Redemption Date in respect of any Series 14 Class N Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least U. S. \$50,000,000, as a trust fund, a sum equal to the aggregate First Year Redemption Price or the Redemption Price, whichever is applicable, of all such shares called from redemption (less the aggregate Redemption Price for those Series 14 Class N Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Series 14 Class N Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares

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to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the First Year Redemption Price or the Redemption Price, whichever is applicable, of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the First Year Redemption Price or the Redemption Price, whichever is applicable, in respect of their shares only from the Corporation.

Part 6 - Parity with Other Shares of Series 14 Class N Preferred Stock and Priority.

6.1 Rateable Participation. If any cumulative dividends or return of capital in respect of Series 14 Class N Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

6.2 Ranking. For purposes of this resolution, any stock of any class or series of the Corporation shall be deemed to rank:

6.2.1 Prior or senior to the shares of this Series 14 Class N Preferred Stock either as to

dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of this Series 14 Class N Preferred Stock;

6.2.2 On a parity with, or equal to, shares of this Series 14 Class N Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates, or redemption or liquidation prices per share or sinking fund provisions, if any, are different from those of this Series 14 Class N Preferred Stock, if the holders of such stock are entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and over the other, as between the holders of such stock and the holders of shares of this Series 14 Class N Preferred Stock; and,

6.2.3 Junior to shares of this Series 14 Class N Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock or if the holders of shares of this Series 14 Class N Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or

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involuntary, as the case may be, in preference or priority to the holders of shares of such class or series.

Part 7 - Amendment and Reissue.

7.1 **Amendment.** If any proposed amendment to the Corporation's Certificate of Incorporation would alter or change the powers, preferences or special rights of the Series 14 Class N Preferred Stock so as to affect such adversely, then the Corporation must obtain the affirmative vote of such amendment to the Certificate of Incorporation at a duly called and held series meeting of the holders of the Series 14 Class N Preferred Stock or written consent by the holders of a majority of the Series 14 Class N Preferred Stock then outstanding. Notwithstanding the above, the number of authorized shares of any class or classes of stock may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of this Section 7.1 or the requirements of Section 242 of the GCL.

7.2 **Authorized.** Any shares of Series 14 Class N Preferred Stock acquired by the Corporation by reason of purchase, conversion, redemption or otherwise shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred Stock hereafter created.

**CERTIFICATE OF DESIGNATIONS
OF SERIES 15 CLASS O CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 15 Class O Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 15 Class O Convertible Preferred Stock as set forth in the attached resolutions.

Dated: August 10, 1999

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By /s/ Louis Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecyc
Richard T. Kelecyc, Secretary

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 12:31 PM -- 08/10/1999
991331579 -- 22498949

**PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")**

**RESOLUTION OF THE BOARD OF DIRECTORS
FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 15 CLASS O CONVERTIBLE PREFERRED STOCK**

WHEREAS, the Corporation's capital includes preferred stock, par value \$.001 per share ("Preferred Stock"), which Preferred Stock may be issued in one or more series by resolutions adopted by the directors, and with the directors being entitled by resolution to fix the number of shares in each series and to designate the rights, designations, preferences and relative, participating, optional or other special rights and privileges, restrictions and conditions attaching to the shares of each such series;

WHEREAS, it is in the best interests of the Corporation for the Board to create a new series from the Preferred Stock designated as the Series 15 Class O Convertible Preferred Stock, par value \$.001 per share (the "Series 15 Class O Preferred Stock");

NOW, THEREFORE, BE IT RESOLVED, that the Series 15 Class O Preferred Stock shall consist of six hundred sixteen (616) shares and no more and shall be designated as the Series 15 Class O Convertible Preferred Stock, and the preferences, rights, privileges, restrictions and conditions attaching to the Series 15 Class O Preferred Stock shall be as follows:

Part 1 - Voting and Preemptive Rights.

1.1 **Voting Rights.** Except as otherwise provided in Part 7 hereof or under Section 242(b)(2) of the General Corporation Law of the State of Delaware (the "GCL"), the holders of the Series 15 Class O Preferred Stock shall have no voting rights whatsoever. To the extent that under Section 242(b)(2) of the GCL or Part 7 hereof, the holders of the Series 15 Class O Preferred Stock are entitled to vote on a matter, each share of the Series 15 Class O Preferred Stock shall be entitled one (1) vote for each outstanding share of Series 15 Class O Preferred Stock. Holders of the Series 15 Class O Preferred Stock shall be entitled to notice of (and copies of proxy materials and other information sent to stockholders) for all shareholder meetings or written consents with respect to which they would be entitled to vote, which notice would be provided pursuant to the Corporation's bylaws and applicable statutes.

1.2 **No Preemptive Rights.** The Series 15 Class O Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

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Part 2 - Liquidation Rights.

2.1 **Liquidation.** If the Corporation shall be voluntarily or involuntarily liquidated, dissolved or wound up at any time when any shares of the Series 15 Class O Preferred Stock shall be outstanding, the holders of the then outstanding Series 15 Class O Preferred Stock shall have a preference in distribution of the Corporation's property available for distribution to the holders of the Corporation's Common Stock equal to \$1,000 consideration per outstanding share of Series 15 Class O Preferred Stock, plus an amount equal to all unpaid dividends accrued thereon to the date of payment of such distribution ("Liquidation Preference"), whether or not declared by the Board.

2.2 Payment of Liquidation Preferences. Subject to the provisions of Part 6 hereof, all amounts to be paid as Liquidation Preference to the holders of Series 15 Class O Preferred Stock, as provided in this Part 2, shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any of the Corporation's property to the holders of the Corporation's Common Stock, whether now or hereafter authorized, in connection with such liquidation, dissolution or winding up.

2.3 No Rights After Payment. After the payment to the holders of the shares of the Series 15 Class O Preferred Stock of the full Liquidation Preference amounts provided for in this Part 2, the holders of the Series 15 Class O Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

2.4 Assets Insufficient to Pay Full Liquidation Preference. In the event that the assets of the Corporation available for distribution to the holders of shares of the Series 15 Class O Preferred Stock upon any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to this Part 2, no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the shares of this Series 15 Class O Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of this Series 15 Class O Preferred Stock and shares of such other class or series ranking on a parity with the shares of this Series 15 Class O Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up.

Part 3 - Dividends. The holders of the Series 15 Class O Preferred Stock are entitled to receive if, when and as declared by the Board out of funds legally available therefor, cumulative dividends, payable in cash or Common Stock of the Corporation, par value \$.001 per share (the "Common Stock"), or any combination thereof, at the Corporation's election, at the rate of four percent (4%) per

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annum of the Liquidation Value (as defined below) of each issued and outstanding share of Series 15 Class O Preferred Stock (the "Dividend Rate"). The Liquidation Value of the Series 15 Class O Preferred Stock shall be \$1,000 per outstanding share of the Series 15 Class O Preferred Stock (the "Liquidation Value"). The dividend is payable semi-annually within seven (7) business days after each of December 31 and June 30 of each year, commencing December 31, 1999 (each, a "Dividend Declaration Date"). Dividends shall be paid only with respect to shares of Series 15 Class O Preferred Stock actually issued and outstanding on a Dividend Declaration Date and to holders of record of the Series 15 Class O Preferred Stock as of the Dividend Declaration Date. Dividends shall accrue from the first day of the semi-annual period in which such dividend may be payable, except with respect to the first semi-annual dividend which shall accrue from August 3, 1999. In the event that the Corporation elects to pay the accrued dividends due as of a Dividend Declaration Date on an outstanding share of the Series 15 Class O Preferred Stock in Common Stock of the Corporation, the holder of such share shall receive that number of shares of Common Stock of the Corporation equal to the product of (a) the quotient of (i) the Dividend Rate divided by (ii) the average of the closing bid quotation of the Corporation's Common Stock as reported on the National Association of Securities Dealers Automated Quotation system ("NASDAQ"), or the average closing sale price if listed on a national securities exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"), times (b) a fraction, the numerator of which is the

number of days elapsed during the period for which the dividend is to be paid and the denominator of which is 365. Dividends on the Series 15 Class O Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Corporation's Common Stock until all accrued and unpaid dividends on all outstanding shares of Series 15 Class O Preferred Stock shall have been paid or declared and set aside for payment.

Part 4 - Conversion. The holders of the Series 15 Class O Preferred Stock shall have rights to convert the shares of Series 15 Class O Preferred Stock into shares of the Corporation's Common Stock, par value \$.001 per share ("Common Stock"), as follows (the "Conversion Rights"):

4.1 **No Right to Convert.** The Series 15 Class O Preferred shall not be convertible into shares of Common Stock until after April 20, 2000.

4.2 **Right to Convert.** The Series 15 Class O Preferred Stock may be convertible into shares of Common Stock at any time after April 20, 2000.

4.3 **Conversion Price.** Subject to the terms hereof, as used herein, the Conversion Price per outstanding share of Series 15 Class O Preferred Stock shall be \$1.8125, except that, in the event the average closing bid price per share of the Common Stock as reported on the over-the-counter market, or

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the closing sale price if listed on a national securities exchange, for the five (5) trading days prior to the particular date of conversion shall be less than \$2.265, the Conversion Price for only such particular conversion shall be the product of the average closing bid quotation of the Common Stock as reported on the over-the-counter market, or the closing sale price if listed on a national securities exchange, for the five (5) trading days immediately preceding the date of the Conversion Notice referred to in Section 4.4 below in connection with such conversion multiplied by eighty percent (80%), subject to the provisions of this Section 4.2. Notwithstanding the foregoing, the Conversion Price shall not be less than a minimum of \$1.50 per share ("Minimum Conversion Price") for a period of twenty-four (24) months from April 20, 1999. If any of the outstanding shares of Series 15 Class O Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Part 4, the number of shares of whole Common Stock to be issued to the holder as a result of such conversion shall be determined by dividing (a) the aggregate Liquidation Value of the Series 15 Class O Preferred Stock so surrendered for conversion by (b) the Conversion Price as of such conversion. At the time of conversion of shares of the Series 15 Class O Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon to the date of conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of whole shares of Common Stock which is equal to the quotient of the amount of such unpaid and accrued dividends to the date of conversion on the shares of Series 15 Class O Preferred Stock so converted divided by the Stock Dividend Price, as defined in Part 3 hereof, in effect at the date of conversion.

4.4 **Mechanics of Conversion.** Any holder of the Series 15 Class O Preferred Stock who wishes to exercise its Conversion Rights pursuant to the terms of this Part 4 must, if such shares are not being held in escrow by the Corporation's attorneys, surrender the certificate therefor at the principal executive office of the Corporation, and give written notice, which may be via facsimile transmission, to the Corporation at such office that it elects to convert the same (the

"Conversion Notice"). In the event that the shares of Series 15 Class O Preferred Stock are being held in escrow by the Corporation's attorneys, no delivery of the certificates shall be required. The Corporation shall, within five (5) business days after receipt of an appropriate and timely Conversion Notice (and certificate, if necessary), issue to such holder of Series 15 Class O Preferred Stock or its agent a certificate for the number of shares of Common Stock to which he shall be entitled; it being expressly agreed that until and unless the holder delivers written notice to the Corporation to the contrary, all shares of Common Stock issuable upon conversion of the Series 15 Class O Preferred Stock hereunder are to be delivered by the Corporation to a party designated in writing by the holder in the Conversion Notice for the account of the holder and such shall be deemed valid delivery to the holder of such shares of Common Stock. Such conversion shall be deemed to have been made only after both the certificate for the shares of

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Series 15 Class O Preferred Stock to be converted have been surrendered and the Conversion Notice is received by the Corporation (or in the event that no surrender of the Certificate is required, then only upon the receipt by the Corporation of the Conversion Notice) (the "Conversion Documents"), and the person or entity whose name is noted on the certificate evidencing such shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock at and after such time. In the event that the Conversion Notice is sent via facsimile transmission, the Corporation shall be deemed to have received such Conversion Notice on the first business day on which such facsimile Conversion Notice is actually received. If the Corporation fails to deliver to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion of the Series 15 Class O Preferred Stock within seven (7) business days after receipt by the Corporation from the holder of an appropriate and timely Conversion Notice and certificates pursuant to the terms of this Section 4.4 ("Seven (7) Business Day Period"), then, upon the written demand of RBB Bank Aktiengesellschaft ("RBB Bank"), the holder of the Series 15 Class O Preferred Stock, for payment of the penalty described below in this Section 4.4, which demand must be received by the Corporation no later than ten (10) calendar days after the expiration of such Seven (7) Business Day Period, the Corporation shall pay to RBB Bank the following penalty for each business day after the Seven (7) Business Day Period until the Corporation delivers to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion: business day eight (8) - U.S. \$1,000; business day nine (9) - U.S. \$2,000, and each business day thereafter an amount equal to the penalty due on the immediately preceding business day times two (2) until the Corporation delivers to the holder or its agent the certificate representing the shares of Common Stock that the holder is entitled to receive as a result of such conversion.

4.5 Merger or Consolidation. In case of either (a) any merger or consolidation to which the Corporation is a party (collectively, the "Merger"), other than a Merger in which the Corporation is the surviving or continuing corporation, or (b) any sale or conveyance to another corporation of all, or substantially all, of the assets of the Corporation (collectively, the "Sale"), and such Merger or Sale becomes effective (x) while any shares of Series 15 Class O Preferred Stock are outstanding and prior to the date that the Corporation's Registration Statement covering up to 1,379,311 shares of Common Stock issuable upon the conversion of the Series 15 Class O Preferred Stock is declared effective by the U. S. Securities and Exchange Commission or (y) prior to the end of the restriction periods in Section 4.3, then, in such event, the Corporation or such successor corporation, as the case may be, shall make appropriate provision so that the holder of each share of Series 15 Class O Preferred Stock then outstanding shall have the right to convert such share of Series 15 Class O Preferred Stock into the kind and amount of shares of

stock or other securities and property receivable upon such Merger or Sale by a holder of the number

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of shares of Common Stock into which such shares of Series 15 Class O Preferred Stock could have been converted into immediately prior to such Merger or Sale, subject to adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Part 4.

4.6 Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. If the Corporation at any time or from time to time while shares of Series 15 Class O Preferred Stock are issued and outstanding shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

4.7 Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series 15 Class O Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.6 hereof), the Conversion Price shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series 15 Class O Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Series 15 Class O Preferred Stock would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series 15 Class O Preferred Stock immediately before that change.

4.8 Common Stock Duly Issued. All Common Stock which may be issued upon conversion of Series 15 Class O Preferred Stock will, upon issuance, be duly issued, fully paid and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

4.9 Notice of Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Part 4, the Corporation, at its expense, within a reasonable period of time, shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series 15 Class O Preferred

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Stock a notice setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment is based.

4.10 Issue Taxes. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of the Series 15 Class O Preferred Stock pursuant thereto; provided, however, that the Corporation

shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder of Series 15 Class O Preferred Stock in connection with such conversion.

4.11 Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series 15 Class O Preferred Stock, such number of its shares of Common Stock as shall, from time to time, be sufficient to effect the conversion of all outstanding shares of the Series 15 Class O Preferred stock, and, if at any time, the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series 15 Class O Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to its Certificate of Incorporation.

4.12 Fractional Shares. No fractional shares shall be issued upon the conversion of any share or shares of Series 15 Class O Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series 15 Class O Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fractional share of Common Stock, such fractional share shall be rounded up to the nearest whole share.

4.13 Notices. Any notices required by the provisions of this Part 4 to be given to the holders of shares of Series 15 Class O Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

4.14 Business Day. As used herein, the term "business day" shall mean any day other than a Saturday, Sunday or a day when the federal and state banks located in the State of New York are required or is permitted to close.

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Part 5 - Redemption.

5.1 Redemption at Corporation's Option. Except as otherwise provided in this Section 5.1, at any time, and from time to time, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, at any time, and from time to time, the then outstanding Series 15 Class O Preferred Stock at the following cash redemption prices if redeemed during the following periods: (i) within twelve (12) months from April 20, 1999 - \$1,100 per share and (ii) after twelve (12) months from April 20, 1999 - \$1,200 per share (as applicable, the redemption price of \$1,100 or \$1,200 is referred to herein as the "Redemption Price").

5.2 Mechanics of Redemption. Prior to any date stipulated by the Corporation for the redemption of Series 15 Class O Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 15 Class O Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 15 Class O Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 15 Class O Preferred Stock to be redeemed from such holder, and (iv)

instructions as to how to specify to the Corporation the number of Series 15 Class O Preferred Stock to be redeemed as provided in this Part 5 and, if the Redemption Notice is mailed to the Holder after the first twelve (12) months from April 20, 1999, the number of shares to be converted into Common Stock as provided in Part 4 hereof.

5.3 Rights of Conversion Upon Redemption. If the redemption occurs during the first twelve (12) months after April 20, 1999, the holder may not convert any redeemed shares. If the redemption occurs after the first twelve (12) months after April 20, 1999, then, upon receipt of the Redemption Notice, any holder of Series 15 Class O Preferred Stock shall have five business days during which it may exercise the option, at its sole election, to specify what portion of its Series 15 Class O Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 5 or converted into Common Stock in the manner provided in Part 4 hereof, except that, notwithstanding any provision of such Part 4 to the contrary, after twelve (12) months from April 20, 1999, such holder shall have the right to convert into Common Stock that number of Series 15 Class O Preferred Stock called for redemption in the Redemption Notice.

5.4 Surrender of Certificates. On or before the Redemption Date in respect of any Series 15 Class O Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the

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Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided in Section 5.5 hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall be canceled and retired. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 15 Class O Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

5.5 Payment. On the Redemption Date in respect of any Series 15 Class O Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all such shares called from redemption (less the aggregate Redemption Price for those Series 15 Class O Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Series 15 Class O Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the Redemption Price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

Part 6 - Parity with Other Shares of Series 15 Class O Preferred Stock and Priority.

6.1 **Rateable Participation.** If any cumulative dividends or return of capital in respect of Series 15 Class O Preferred Stock are not paid in full, the owners of all series of outstanding Preferred Stock shall participate rateably in respect of accumulated dividends and return of capital.

6.2 **Ranking.** For purposes of this resolution, any stock of any class or series of the Corporation shall be deemed to rank:

6.2.1 Prior or senior to the shares of this Series 15 Class O Preferred Stock either as to dividends or upon liquidation, if the holders

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of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of this Series 15 Class O Preferred Stock;

6.2.2 On a parity with, or equal to, shares of this Series 15 Class O Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment
such
dissolution,
or
as
dates, or redemption or liquidation prices per share or sinking fund provisions, if any, are different from those of this Series 15 Class O Preferred Stock, if the holders of
stock are entitled to the receipt of dividends or of amounts distributable upon
liquidation or winding up of the Corporation, whether voluntary or involuntary, in proportion to their respective dividend rates or liquidation prices, without preference
priority, one over the other, as between the holders of such stock and over the other,
between the holders of such stock and the holders of shares of this Series 15 Class O Preferred Stock; and,

6.2.3 Junior to shares of this Series 15 Class O Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock or if the holders of shares of this Series 15 Class O Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, as the case may be, in preference or priority to the holders of shares of such class or series.

Part 7 - Amendment and Reissue.

7.1 **Amendment.** If any proposed amendment to the Corporation's Certificate of Incorporation (the "Articles") would alter or change the powers, preferences or special rights of the Series 15 Class O Preferred Stock so as to affect such adversely, then the Corporation must obtain the affirmative vote of such amendment to the Articles at a duly called and held series meeting of the holders of the Series 15 Class O Preferred Stock or written consent by the holders of a majority of the Series 15 Class O Preferred Stock then outstanding. Notwithstanding the above or the provisions of Section 242(b)(2) of the GCL, the number of authorized shares of any class or classes of stock of the Corporation may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the

Corporation entitled to vote thereon, voting together as a single class, irrespective of the provisions of this Section 7.1 or Section 242(b)(2) of the GCL.

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7.2 **Authorized**. Any shares of Series 15 Class O Preferred Stock acquired by the Corporation by reason of purchase, conversion, redemption or otherwise shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred Stock hereafter created.

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**CERTIFICATE OF DESIGNATIONS
OF SERIES 16 CLASS P CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 16 Class P Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 16 Class P Convertible Preferred Stock as set forth in the attached resolutions.

Dated: August 10, 1999

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By /s/ Louis Centofanti
Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecy
Richard T. Kelecy, Secretary

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 12:32 PM -- 08/10/1999
991331580 -- 2249849

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")

RESOLUTION OF THE BOARD OF DIRECTORS

**FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 16 CLASS P CONVERTIBLE PREFERRED STOCK**

RE: DESIGNATION OF SERIES 16 CLASS P PREFERRED STOCK.

RESOLVED: That the designations, powers, preferences and rights of the Series 16 Class P Convertible Preferred Stock be, and they hereby are, as set forth below:

1. Number of Shares of Common Stock of Series 16 Class P Convertible Preferred Stock

The Corporation hereby authorizes the issuance of up to one thousand eight hundred two (1,802) shares of Series 16 Class P Convertible Preferred Stock par value \$.001 per share (the "Preferred Stock"). This Preferred Stock shall pay an annual dividend based on a 365 day calendar year of 4% of the Liquidation Value (as defined in Section 3 hereof) ("Dividend Rate"), payable semiannually within ten (10) business days after each subsequent June 30th and December 31st (each a "Dividend Declaration Date"), and shall be payable in cash or shares of the Corporation's par value \$.001 per share common stock (Common Stock) at the Corporation's option. The first Dividend Declaration Date shall be December 31st, 1999.

In the event that the Corporation elects to pay the accrued dividends due as of a Dividend Declaration Date on the outstanding shares of Preferred Stock in Common Stock of the

Corporation, the Holder of each share of Preferred Stock shall receive that number of shares of Common Stock equal to the product of (a) the quotient of (i) the Dividend Rate divided by (ii) the average of the closing bid quotation of the Corporation's Common Stock as reported on the National Association of Securities Dealers Automated Quotation system ("NASDAQ"), or if the Common Stock is not listed for trading on the NASDAQ but is listed for trading on a national securities exchange, the average closing bid price of the Common Stock as quoted on such national exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"), times (b) a fraction, the numerator of which is the number of days elapsed during the period for which the dividend is to be paid, and the denominator of which is 365. Dividends on the Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Corporation's Common Stock until all accrued and unpaid dividends on all outstanding shares of Preferred Stock shall have been paid or declared and set aside for payment.

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2. Voting.

Except as provided under Section 242 of the GCL, holders of Preferred Stock (the "Holders") shall not have the right to vote on any matter. Notwithstanding the provisions of Section 242 of the GCL or Section 4 hereof, the number of authorized shares of any class or classes of stock of the Corporation may be increased or decreased (but not below the number of shares thereof outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of the provisions of Section 242 of the GCL.

3. Liquidation.

In the event of a voluntary or involuntary dissolution, liquidation, or winding up of the Corporation, the Holders of Preferred Stock shall be entitled to receive out of the assets of the Corporation legally available for distribution to holders of its capital stock, before any payment or distribution shall be made to holders of shares of Common Stock or any other class of stock ranking junior to the Preferred Stock, an amount per share of Preferred Stock equal to \$1,000 (the "Liquidation Value") plus any accrued and unpaid dividends on the Preferred Stock. If upon such liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, the assets to be distributed among the Holders of Preferred Stock shall be insufficient to permit payment to the Holders of Preferred Stock of the amount distributable as aforesaid, then the entire assets of the Corporation to be so distributed shall be distributed ratably among the Holders of Preferred Stock and shares of such other classes or series ranking on a parity with the shares of this Preferred Stock in proportion to the full distributable amounts for which holders of all such parity shares are entitled upon such distribution, liquidation, or winding up. Upon any such liquidation, dissolution or winding up of the Corporation, after the Holders of Preferred Stock shall have been paid in full the amounts to which they shall be entitled, the remaining net assets of the Corporation may be distributed to the holders of stock ranking on liquidation junior to the Preferred Stock and the Holders of the Preferred Stock shall have no right or claim to any of the remaining assets of the Corporation. Written notice of such liquidation, dissolution or winding up, stating a payment date, the amount of the liquidation payments and the place where said liquidation payments shall be payable, shall be given by mail, postage prepaid or by telex or facsimile to non-U.S. residents, not less than 10 days prior to the payment date stated therein, to the Holders of record of Preferred Stock, such notice to be addressed to each such Holder at its address as shown by the records of the Corporation. For purposes hereof the shares of Common Stock, shall rank on liquidation junior to the Preferred Stock.

4. Restrictions.

The Corporation will not amend or modify the terms of its Restated Certificate of Incorporation so as to adversely alter or change the Preferred Stock at any time when shares of Preferred Stock are outstanding, without the approval of the Holders of at least a majority of the then outstanding shares of Preferred Stock given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a series, except where the vote or written consent of the

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Holders of a greater number of shares of Common Stock of the Corporation is required by law or by the Corporation's Certificate of Incorporation, as amended.

5. Optional Conversion.

The Holders of shares of Preferred Stock shall have the following conversion rights to convert the shares of Preferred Stock into shares of Common Stock of the Corporation:

(a) No Right to Convert. The Preferred Stock shall not be convertible into shares of Common Stock until after April 20, 2000.

(b) Conversion Dates. The Preferred Stock may be convertible into shares of Common Stock at any time after April 20, 2000.

(c) Right to Convert; Conversion Price. Subject to the terms hereof, as used herein, the term Conversion Price per outstanding share of Preferred Stock shall be One Dollar and 875/100 (\$1.875); except that after the expiration of one hundred and eighty (180) days after the Closing Date if the average of the closing bid price per share of Common Stock quoted on the NASDAQ (or the closing bid price of the Common Stock as quoted on the national securities exchange if the Common Stock is not listed for trading on the NASDAQ but is listed for trading on a national securities exchange) for the five (5) trading days immediately prior to the particular date of each Conversion Notice (as defined below) is less than Two Dollars and 34/100 (\$2.34), then the Conversion Price for that particular conversion shall be eighty percent (80%) of the average of the closing bid price of the Common Stock on the NASDAQ (or if the Common Stock is not listed for trading on the NASDAQ but is listed for trading on a national securities exchange then eighty percent (80%) of the average of the closing bid price of the Common Stock on the national securities exchange) for the five (5) trading days immediately prior to the particular date of the Conversion Notice. Notwithstanding the foregoing, the Conversion Price shall not be less than a minimum of \$1.50 per share ("Minimum Conversion Price") for a period of twenty-four (24) months from April 20, 1999.

If any of the outstanding shares of Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Section 5(c), the number of shares of whole Common Stock to be issued to the Holder as a result of such conversion shall be determined by dividing (a) the aggregate Stated Value of the Preferred Stock so surrendered for conversion by (b) the Conversion Price in effect on the date of that particular Conversion Notice relating to such conversion. At the time of conversion of shares of the Preferred Stock, the Corporation shall pay in cash to the holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon on the shares of Preferred so converted to the date of the Conversion Notice relating to such conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and unpaid dividends, issue that number of shares of whole Common Stock which is equal to the

quotient of the amount of such unpaid and accrued dividends to the date of the Conversion Notice relating to such conversion of the shares of Preferred Stock so converted divided by the Stock Dividend Price, in effect at the date of the Conversion Notice relating to such conversion.

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(d) Conversion Notice. The right of conversion shall be exercised by the Holder thereof by telecopying or faxing an executed and completed written notice signed by an authorized representative of the Holder, ("Conversion Notice") to the Corporation that the Holder elects to convert a specified number of shares of Preferred Stock representing a specified Stated Value thereof into shares of Common Stock and by delivering by express courier the certificate or certificates of Preferred Stock being converted to the Corporation at its principal office (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the Holders of the Preferred Stock). The business date indicated on a Conversion Notice which is telecopied to and received by the Corporation in accordance with the provisions hereof shall be deemed a Conversion Date. The Conversion Notice shall include therein the Stated Value of shares of Preferred Stock to be converted, and a calculation (a) of the Stock Dividend Price, (b) the Conversion Price, and (c) the number of Shares of Common Stock to be issued in connection with such conversion. The Corporation shall have the right to review the calculations included in the Conversion Notice, and shall provide notice of any discrepancy or dispute therewith within three (3) business days of the receipt thereof. The Holder shall deliver to the Corporation an original Conversion Notice and the original Preferred to be converted within three (3) business days from the date of the Conversion Notice.

(e) Issuance of Certificates - Time Conversion Effected. Promptly, but in no event more than six (6) business days, after the receipt by facsimile of the Conversion Notice referred to in Subparagraph (5)(c); and provided within the six (6) business days the Corporation receives the certificate or certificates for the shares of Preferred Stock to be converted, the Corporation shall issue and deliver, or cause to be issued and delivered, to the Holder, registered in the name of the Holder, a certificate or certificates for the number of whole shares of Common Stock into which such shares of Preferred Stock are converted. Such conversion shall be deemed to have been effected as of the close of business on the date on which the telecopy or facsimile Conversion Notice shall have been received by the Corporation, and the rights of the Holder of such share or shares of Preferred Stock shall cease, at such time, and the Holder or Holders shall be deemed to have become the Holder or Holders of record of the shares of Common Stock represented thereby.

In the event that the shares of Common Stock issuable upon conversion of the Preferred, are not delivered within six (6) business days of the date the Corporation receives the Conversion Notice, the Corporation shall pay to the Holder, by wire transfer, as liquidated damages for such failure and not as a penalty, for each \$100,000 of Preferred sought to be converted, \$500 for each of the first five (5) calendar days and \$1,000 per calendar day thereafter that the shares of Common Stock are not delivered, which liquidated damages shall begin to run from the seventh (7th) business day after the Conversion Date. Any and all payments required pursuant to this paragraph shall be payable only in cash. Notwithstanding the above, liquidated damages shall not exceed \$2,000.00 per day. In addition to the liquidated damages set forth herein, in the event the Corporation fails to deliver the shares of Common Stock within six (6) business days after the Conversion date, the Corporation agrees to issue the larger number of shares of Common Stock derived from (i) the original Conversion Notice, or (ii) utilizing the five lowest closing bid prices of the Corporation's shares of Common Stock beginning on the Conversion Date and ending on the day the shares of Common Stock are delivered. The Corporation

understands that a delay in the issuance of the shares of Common Stock could result in economic loss to the Holder. Nothing contained herein, or in the Preferred shall limit the Holder's rights to pursue actual damages for the Corporation's failure to issue and deliver shares of Common Stock to the Holder in accordance with the terms of the Certificate of Designations, and this Agreement.

(f) Fractional Shares of Common Stock. No fractional shares of Common Stock shall be issued upon conversion of any Preferred Stock into shares of Common Stock. All fractional shares of Common Stock shall be aggregated and then rounded down to the nearest whole share of Common Stock. In case the number of shares of Preferred Stock represented by the certificate or certificates surrendered pursuant to Subparagraph 5(d) exceeds the number of shares of Common Stock converted, the Corporation shall, upon such conversion, execute and deliver to the Holder, at the expense of the Corporation, a new certificate or certificates for the number of shares of Preferred Stock represented by the certificate or certificates surrendered which are not to be converted.

(g) Merger or Consolidation. In case of either (a) any merger or consolidation to which the Corporation is a party (collectively, the "Merger"), other than a Merger in which the Corporation is the surviving or continuing corporation, or (b) any sale or conveyance to another corporation of all, or substantially all, of the assets of the Corporation (collectively, the "Sale"), and such Merger or Sale becomes effective while any shares of Preferred Stock are outstanding and prior to the date that the Corporation's Registration Statement covering all the shares of Common Stock issuable upon the conversion of the Preferred Stock is declared effective by the U.S. Securities and Exchange Commission ("Commission"), the Corporation or such successor corporation as the case may be, shall make appropriate provision so that the Holder of each share of Preferred Stock then outstanding shall have the right to convert such share of Preferred Stock into the kind and amount of shares of stock or other securities and property receivable upon such Merger or Sale by a holder of the number of shares of Common Stock into which such shares of Preferred Stock could have been converted into immediately prior to such Merger or Sale, subject to adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 5.

In the event of a Merger or Sale, where the Corporation is not the surviving Corporation, the Holder shall have the right to redeem all of the outstanding shares of Preferred Stock at 120% of the Liquidation Value of each share of Preferred Stock then outstanding plus all accrued and unpaid dividends (the "Redemption Amount"). The Corporation shall pay this Redemption Amount in cash within ten (10) business days of receipt by the Corporation of notice from the Holder, and receipt by the Corporation of all outstanding shares of Preferred Stock duly endorsed by the Holder to the Corporation.

(h) Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. If the Corporation at any time or from time to time while shares of Preferred Stock are issued and outstanding shall declare or pay, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock), or if the outstanding shares of

Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser

number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

(i) Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of Common Stock of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares of Common Stock provided for in Section 5(h) hereof), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders of Preferred Stock would otherwise have been entitled to receive, a number of shares of Common Stock of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Preferred Stock immediately before that change.

6 Redemption.

(a) Redemption at Corporation's Option. Except as otherwise provided in this Section 6, at any time, and from time to time, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, at any time, and from time to time the then outstanding Series 16 Class P Preferred Stock at the following cash redemption prices if redeemed during the following periods: (i) within twelve (12) months from April 20, 1999 - \$1,100 per share, and (ii) after twelve (12) months from April 20, 1999 - \$1,200 per share (as applicable, the redemption price of \$1,100 or \$1,200 is referred to herein as the "Redemption Price").

(b) Mechanics of Redemption. Prior to any date stipulated by the Corporation for the redemption of Series 16 Class P Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each holder of record on such notice date of the Series 16 Class P Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Series 16 Class P Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Series 16 Class P Preferred Stock to be redeemed from such holder, and (iv) instructions as to how to specify to the Corporation the number of Series 16 Class P Preferred Stock to be redeemed as provided in this Part 6 and, if the Redemption Notice is mailed to the Holder after the first twelve (12) months from April 20, 1999, the number of shares to be converted into Common Stock as provided in Part 5 hereof.

(c) Rights of Conversion Upon Redemption. If the redemption occurs during the first twelve (12) months after April 20, 1999, the holder may not convert any redeemed shares. If the redemption occurs after the first twelve (12) months after April 20, 1999, then, upon receipt of the Redemption Notice, any holder of Series 16 Class P Preferred Stock shall have five business days during which it may exercise the

option, at its sole election, to specify what portion of its Series 16 Class P Preferred Stock called for redemption in the Redemption Notice shall be redeemed as provided in this Part 6 or converted into Common Stock in the manner provided in Part 5 hereof, except that,

notwithstanding any provision of such Part 5 to the contrary, after twelve (12) months from April 20, 1999, such holder shall have the right to convert into Common Stock that number of Series 16 Class P Preferred Stock called for redemption in the Redemption Notice.

(d) **Surrender of Certificates.** On or before the Redemption Date in respect of any Series 16 Class P Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall be canceled and retired. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Series 16 Class P Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

(e) **Payment.** On the Redemption Date in respect of any Series 16 Class P Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all such shares called from redemption (less the aggregate Redemption Price for those Series 16 Class P Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Series 16 Class P Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the Redemption Price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

7. Assignment.

Subject to all applicable restrictions on transfer, the rights and obligations of the Corporation and the Holder of the Preferred Stock shall be binding upon and benefit the successors, assigns, heirs, administrators, and transferees of the parties.

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8. Shares of Common Stock to be Reserved.

The Corporation, upon the effective date of this Certificate of Designations, has a sufficient number of shares of Common Stock available to reserve for issuance upon the conversion of all outstanding shares of Preferred Stock, pursuant to the terms and conditions set forth in Section 5, and exercise of the Warrants as defined in Section 12. The Corporation will at all times reserve and keep available out of its authorized shares of Common Stock, solely for the purpose of issuance upon the conversion of Preferred Stock, and exercise of the Warrants, as herein provided, such number of shares of Common Stock as shall then be issuable upon the conversion of all outstanding shares of Preferred Stock, and exercise of the Warrants. The

Corporation covenants that all shares of Common Stock which shall be so issued shall be duly and validly issued, fully paid and non assessable. The Corporation will take such action as may be required, if the total number of shares of Common Stock issued and issuable after such action upon conversion of the Preferred Stock, and exercise of the Warrants would exceed the total number of shares of Common Stock then authorized by the Corporation's Certificate of Incorporation, as amended, or would exceed 19.99% of the shares of Common Stock then outstanding if required by law or the Rules and Regulations of NASDAQ or the National Securities Exchange applicable to the Corporation to take such action as a result of exceeding such 19.99%, in order to increase the number of shares of Common Stock to permit the Corporation to issue the number of shares of Common Stock required to effect conversion of the Preferred, and exercise of the Warrants, to a number sufficient to permit conversion of the Preferred Stock, and exercise of the Warrants, including, without limitation, engaging in reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to the Corporation's Restated Certificate of Incorporation, and to obtain shareholders approval in order to effect conversion of the Preferred Stock, and exercise of the Warrants, if required by law or the rules or regulations of the NASDAQ or National Securities Exchange applicable to the Corporation.

8(a) Shareholder Approval. In connection with the issuance to the Holder of the shares of Preferred Stock, pursuant to this Certificate of Designations, the Corporation is also issuing (i) certain warrants ("RBB Warrants") to the Holder pursuant to the terms of that certain Private Securities Subscription Agreement dated June 30, 1998 (the "Agreement"), providing for the purchase of up to 150,000 shares of Common Stock at an exercise price of \$2.50 per share and (ii) certain warrants (collectively, the "Liviakis Warrants") to Liviakis Financial Communication, Inc. ("Liviakis") and Robert B. Prag providing for the purchase of up to an aggregate of 2,500,000 shares of Common Stock at an exercise price of \$1.875 per share pursuant to the terms of that Liviakis Agreement dated June 30, 1998, between Liviakis and the Corporation.

If (i) the aggregate number of shares of Common Stock issued by the Corporation as a result of any or all of the following: (a) conversion of the Preferred Stock, (b) payment of dividends accrued on the Preferred Stock (c) exercise of the RBB Warrants, and (d) exercise of the Liviakis Warrants exceeds 2,388,347 shares of Common Stock (which equals 19.9% of the outstanding shares of Common Stock of the Corporation as of the date of this Certificate of Designations) and (ii) the Holder has converted or elects to convert any of the then outstanding shares of Preferred Stock pursuant to the terms of Section 5 at a Conversion Price less than \$ 1.875 (\$1.875 being the market

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value per share of Common Stock as quoted on the NASDAQ as of the close of business on June 30, 1998) pursuant to the terms of Section 5(c) hereof, other than if the Conversion Price is less than \$ 1.875 solely as a result of the anti-dilution provisions of Section 5(h) and (i) hereof, then, notwithstanding anything in Section 5 to the contrary, the Corporation shall not issue any shares of Common Stock as a result of receipt of a Conversion Notice unless and until the Corporation shall have obtained approval of its shareholders entitled to vote on the transactions in accordance with subparagraphs (25)(H)(i)d, (iv) and (v) of Rule 4310 of the NASDAQ Marketplace Rules ("Shareholder Approval").

If Shareholder Approval is required as set forth in the above paragraph, the Corporation shall take all necessary steps to obtain such Shareholder Approval upon receipt of the Conversion Notice triggering the need for Shareholder Approval ("Current Conversion Notice"). If the Corporation has not received from the Holder a Current Conversion Notice, the Holder,

subsequent to January 1st, 1999 may, if the Corporation's shares of Common Stock trade, subsequent to January 1st, 1999, at a five (5) day average closing bid price below Two Dollars and 34/100 (\$2.34), upon written notice to the Corporation, require the Corporation to obtain Shareholder Approval ("Holder's Notice"). The Holder and the Corporation's officers and directors covenant to vote all shares of Common Stock over which they have voting control in favor of Shareholder Approval. If the Corporation does not obtain Shareholder Approval within ninety (90) days of the earlier of the Corporation's receipt of (i) the Current Conversion Notice or (ii) the Holder's Notice, and the Holder has not breached its covenant to vote all shares of Common Stock over which they have voting control in favor of Shareholder Approval, the Corporation shall pay in cash to the Holder liquidated damages, in an amount of 4% per month of the Liquidation Value of each share of Preferred Stock then outstanding, commencing on the 91st day of the Corporation's receipt of the Holder's Current Conversion Notice, and continuing every thirty (30) days pro-rata until such time the Corporation receives Shareholder Approval.

9. No Reissuance of Series 16 Class P Convertible Preferred Stock.

Shares of Preferred Stock which are converted into shares of Common Stock as provided herein shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of Preferred stock hereafter created.

10. Closing of Books.

The Corporation will at no time close its transfer books against the transfer of any Preferred Stock or of any shares of Common Stock issued or issuable upon the conversion of any shares of Common Stock of Preferred Stock in any manner which interferes with the timely conversion of such Preferred Stock, except as may otherwise be required to comply with applicable securities laws.

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11. No Preemptive Rights.

The Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

12. Definition of Shares.

As used in this Certificate of Designations, the term "shares of Common Stock" shall mean and include the Corporation's authorized common stock, par value \$.001, as constituted on the date of filing of these terms of the Preferred Stock, or in case of any reorganization, reclassification, or stock split of the outstanding shares of Common Stock thereof, the stock, securities or assets provided for hereof. The term "Warrants" as used herein shall have the same meaning as defined in Section 1 of the Private Securities Subscription Agreement, dated June 30, 1998, between the Company and RBB Bank Aktiengesellschaft.

The said determination of the designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, relating to the Preferred Stock was duly made by the Board of Directors pursuant to the provisions of the Corporation's Restated Certificate of Incorporation and in accordance with the provisions of the Delaware General Corporation Law.

**CERTIFICATE OF ELIMINATION
OF
SERIES 11 CLASS K CONVERTIBLE PREFERRED STOCK
AND
SERIES 12 CLASS L CONVERTIBLE PREFERRED STOCK
AND
SERIES 13 CLASS M CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

PERMA-FIX ENVIRONMENTAL SERVICES, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies the following:

1. That the Certificate of Designations of Series 11 Class K Convertible Preferred Stock, par value \$.001 per share, of the Corporation (the "Series 11 Preferred") was filed with the Delaware Secretary of State on July 15, 1999 (the "Series 11 Certificate of Designations").

2. That all outstanding shares of the Series 11 Preferred have been delivered to the Company and exchanged pursuant to an agreement with the holder thereof in accordance with the terms and conditions of a certain Exchange Agreement between the Company and RBB Bank Aktiengesellschaft, dated as of August 3, 1999.

3. That no shares of Series 11 Preferred remain outstanding.

4. That all shares of the Series 11 Preferred which have been exchanged have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

5. That effective August 3, 1999, the Board of Directors of the Company duly adopted the following resolutions:

RESOLVED, that upon completion of the exchange with the holder of the Series 11 Class K Convertible Preferred Stock, no authorized shares of Series 11 Class K Convertible Preferred Stock will remain outstanding and no shares of Series 11 Class K Convertible Preferred Stock will be issued subject to the Certificate of Designations

previously filed with respect to the Series 11 Class K Convertible Preferred Stock.

FURTHER RESOLVED, that upon completion of the exchange, the officers of the Company are hereby authorized and directed, for and on behalf of the Company, to

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
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execute and deliver an appropriate Certificate of Elimination to the Secretary of State of Delaware regarding the Series 11 Class K Convertible Preferred Stock.

6. That the Certificate of Designations of the Series 12 Class L Convertible Preferred Stock, par value \$.001 per share, of the Corporation (the "Series 12 Preferred") was filed on July 15, 1999 (the "Series 12 Certificate of Designations").

7. That all outstanding shares of the Series 12 Preferred have been delivered to the Company and exchanged pursuant to an agreement with the holder thereof in accordance with the terms and conditions of a certain Exchange Agreement between the Company and RBB Bank, dated as of August 3, 1999.

8. That no shares of Series 12 Preferred remain outstanding.

9. That all shares of the Series 12 Preferred which have been exchanged have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

10. That effective August 3, 1999, the Board of Directors of the Company duly adopted the following resolutions:

RESOLVED, that upon completion of the exchange with the holder of the Series 12 Class L Convertible Preferred Stock, no authorized shares of Series 12 Class L Convertible Preferred Stock will remain outstanding and no shares of Series 12 Class L Convertible Preferred Stock will be issued subject to the Certificate of Designations previously filed with respect to the Series 12 Class L Convertible Preferred Stock.

FURTHER RESOLVED, that upon completion of the exchange, the officers of the Company are hereby authorized and directed, for and on behalf of the Company, to execute and deliver an appropriate Certificate of Elimination to the Secretary of State of Delaware regarding the Series 12 Class L Convertible Preferred Stock.

11. That the Certificate of Designations of the Series 13 Class M Convertible Preferred Stock, par value \$.001 per share, of the Corporation (the "Series 13 Preferred") was filed on July 15, 1999 (the "Series 13 Certificate of Designations").

12. That all outstanding shares of the Series 13 Preferred have been delivered to the Company and exchanged pursuant to an agreement with the holder thereof in accordance to the terms and conditions of a certain Exchange Agreement between the Company and RBB Bank, dated as of August 3, 1999.

13. That no shares of Series 13 Preferred remain outstanding.

14. That all shares of the Series 13 Preferred which have been exchanged have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

15. That effective August 3, 1999, the Board of Directors of the Company duly adopted the following resolutions:

RESOLVED, that upon completion of the exchange with the holder of the Series 13 Class M Convertible Preferred Stock, no authorized shares of Series 13 Class M Convertible Preferred Stock will remain outstanding and no shares of Series 13 Class M Convertible Preferred Stock will be issued subject to the Certificate of Designations previously filed with respect to the Series 13 Class M Convertible Preferred Stock.

FURTHER RESOLVED, that upon completion of the exchange, the officers of the Company are hereby authorized and directed, for and on behalf of the Company, to execute and deliver an appropriate Certificate of Elimination to the Secretary of State of Delaware regarding the Series 13 Class M Convertible Preferred Stock.

16. That pursuant to the provisions of Section 151(g) of the Delaware General Corporation Law, upon the effective date of the filing of this Certificate, this Certificate will have the effect of eliminating from the Restated Certificate of Incorporation only those matters set forth in the Restated Certificate of Incorporation with respect to the Series 11 Class K Convertible Preferred Stock, the Series 12 Class L Convertible Preferred Stock, and the Series 13 Class M Convertible Preferred Stock

IN WITNESS WHEREOF, this Certificate of Elimination has been executed this 10th day of August, 1999, by the President of the Company.

ATTEST:

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

/s/ Richard T. Kelecyc
Richard T. Kelecyc, Secretary

By /s/ Louis Centofanti
Dr. Louis F. Centofanti, President

(SEAL)

State of Delaware
Office of the Secretary of State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DESIGNATION OF "PERMA-FIX ENVIRONMENTAL SERVICES, INC.," FILED IN THIS OFFICE ON THE FOURTEENTH DAY OF JUNE, A.D. 2001, AT 10 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

/s/ Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

2249849 8100

AUTHENTICATION: 1188603

010285655

DATE: 06-14-01

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 10:00 AM 06/14/2001
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**CERTIFICATE OF DESIGNATIONS
OF SERIES 17 CLASS Q CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

Perma-Fix Environmental Services, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

That, pursuant to authority conferred upon by the Board of Directors by the Corporation's Restated Certificate of Incorporation, as amended, and pursuant to the

provisions of Section 151 of the Delaware Corporation Law, the Board of Directors of the Corporation has adopted resolutions, a copy of which is attached hereto, establishing and providing for the issuance of a series of Preferred Stock designated as Series 17 Class Q Convertible Preferred Stock and has established and fixed the voting powers, designations, preferences and relative participating, optional and other special rights and qualifications, limitations and restrictions of such Series 17 Class Q Convertible Preferred Stock as set forth in the attached resolutions.

Dated: May 25, 2001.

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By /s/ Louis

Centofanti

Dr. Louis F. Centofanti
Chairman of the Board

ATTEST:

/s/ Richard T. Kelecyc

Richard T. Kelecyc, Secretary

**PERMA-FIX ENVIRONMENTAL SERVICES, INC.
(the "Corporation")**

RESOLUTION OF THE BOARD OF DIRECTORS

**FIXING THE NUMBER AND DESIGNATING THE RIGHTS, PRIVILEGES,
RESTRICTIONS AND CONDITIONS ATTACHING TO THE
SERIES 17 CLASS Q CONVERTIBLE PREFERRED STOCK**

RE: DESIGNATION OF SERIES 17 CLASS Q CONVERTIBLE PREFERRED STOCK.

RESOLVED: That the designations, powers, preferences and rights of the Series 17 Class Q Convertible Preferred Stock be, and they hereby are, as set forth below:

**1. Designation, Number of Shares of Preferred Stock of Series 17 Class Q
Convertible
Preferred Stock and Dividends.**

The Corporation hereby authorizes the issuance of up to two thousand five hundred (2,500) shares of Series 17 Class Q Convertible Preferred Stock, par value \$.001 per share (the "Preferred Stock"). The holders of the Preferred Stock (individually, the

"Holder," and collectively, the "Holders") are entitled to receive if, when and as declared by the Board of Directors of the Corporation (the "Board") out of funds legally available therefore, cumulative dividends at an annual dividend rate, based on a 365 day calendar year, of 5% of the Liquidation Value (as defined in Section 3 hereof) ("Dividend Rate") for each share of the Preferred Stock then issued and outstanding as of the acceptable declaration of such dividend, payable semiannually within ten (10) business days after each subsequent June 30th and December 31st (each a "Dividend Declaration Date"), and shall be payable in cash or shares of the Corporation's common stock, par value \$.001 per share ("Common Stock"), at the Corporation's option. The first Dividend Declaration Date shall be December 31st, 2001. Dividends shall be paid only with respect to the shares of Preferred Stock actually issued and outstanding on the Dividend Declaration Date and to Holders of record on the Dividend Declaration Date. Dividends shall accrue from the first day of the semi-annual dividend period in which such dividend may be payable, except with respect to the first semi-annual dividend which shall accrue from the date of the issuance of the Preferred Stock.

In the event that the Board elects to pay the accrued dividends due as of a Dividend Declaration Date on the outstanding shares of Preferred Stock in Common Stock of the Corporation, the Holder of each share of Preferred Stock shall receive that number of shares of Common Stock equal to the product of (a) the quotient of (i) the Dividend Rate divided by (ii) the average of the average closing bid quotation of the Corporation's Common Stock as reported on the National Association of Securities Dealers Automated

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Quotation system ("NASDAQ"), or if the Common Stock is not listed for trading on the NASDAQ but is listed for trading on a national securities exchange, the average closing price of the Common Stock as quoted on such national exchange, for the five (5) trading days immediately prior to the Dividend Declaration Date (the "Stock Dividend Price"), times (b) a fraction, the numerator of which is the number of days elapsed during the period for which the dividend is to be paid, and the denominator of which is 365. Dividends on the Preferred Stock shall be cumulative, and no dividends or other distributions shall be paid or declared or set aside for payment on the Corporation's Common Stock until all accrued and unpaid dividends on all outstanding shares of Preferred Stock shall have been paid or declared and set aside for payment.

2. Voting.

Except as provided under Section 242(2) of the Delaware General Corporation Law ("GCL"), the Preferred Stock shall not have any voting rights and the Holders of the Preferred Stock shall not have the right to vote on any matter. Notwithstanding the provisions of Section 242 of the GCL, the number of authorized shares of any class or classes of stock of the Corporation may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of the provisions of Section 242 of the GCL.

3. Liquidation.

In the event of a voluntary or involuntary dissolution, liquidation, or winding up of the

Corporation, the Holders of the Preferred Stock shall be entitled to receive out of the assets of the Corporation legally available for distribution to holders of its capital stock, before any payment or distribution shall be made to holders of shares of Common Stock or any other class of stock ranking junior to the Preferred Stock, an amount per share of the Preferred Stock equal to \$1,000 (the "Liquidation Value"), plus any accrued and unpaid dividends on the Preferred Stock. If upon such liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, the assets to be distributed among the Holders of the Preferred Stock shall be insufficient to permit payment to the Holders of the Preferred Stock of the amount distributable as aforesaid, then the entire assets of the Corporation to be so distributed shall be distributed ratably among the Holders of the Preferred Stock and shares of such other classes or series ranking on a parity with the shares of the Preferred Stock in proportion to the full distributable amounts for which holders of all such parity shares are entitled upon such distribution, liquidation, or winding up. Upon any such liquidation, dissolution or winding up of the Corporation, after the Holders of Preferred Stock shall have been paid in full the amounts to which they shall be entitled, the remaining net assets of the Corporation may be distributed to the holders of stock ranking on liquidation junior to the Preferred Stock and the Holders of the Preferred Stock shall have no right or claim to any of the remaining assets of the Corporation. Written notice of such liquidation, dissolution or winding up, stating a payment date, the amount of the liquidation payments and the place where said liquidation payments shall be payable, shall be given by mail, postage

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prepaid or by telex or facsimile to non-U.S. residents, not less than 10 days prior to the payment date stated therein, to the Holders of record of the Preferred Stock, such notice to be addressed to each such Holder at its address as shown by the records of the Corporation. For purposes hereof, the shares of Common Stock shall rank on liquidation junior to the Preferred Stock.

4. Optional Conversion.

The Holders of shares of Preferred Stock shall have the following conversion rights to convert the shares of Preferred Stock into shares of Common Stock of the Corporation as follows:

(a) Intentionally left blank.

(b) Right to Convert; Conversion Price. Subject to the terms hereof, as used herein, the term Conversion Price per outstanding share of Preferred Stock shall be One Dollar and 50/100 (\$1.50). If any of the outstanding shares of Preferred Stock are converted, in whole or in part, into Common Stock pursuant to the terms of this Section 4, the number of shares of whole Common Stock to be issued as a result of such conversion shall be determined by dividing (a) the aggregate Liquidation Value of the Preferred Stock so surrendered for conversion by (b) the Conversion Price in effect on the date of that particular Conversion Notice relating to such conversion. At the time of conversion of shares of the Preferred Stock, the Corporation shall pay in cash to the Holder thereof an amount equal to all unpaid and accrued dividends, if any, accrued thereon on the shares of the Preferred Stock so converted to the date of the Conversion Notice relating to the shares of Preferred Stock so converted under such conversion, or, at the Corporation's option, in lieu of paying cash for the accrued and

unpaid dividends, issue that number of shares of whole Common Stock which is equal to the quotient of the amount of such unpaid and accrued dividends to the date of the Conversion Notice relating to such conversion of the shares of Preferred Stock so converted divided by the Stock Dividend Price in effect at the date of the Conversion Notice relating to such conversion.

(c) Conversion Notice. The right of conversion shall be exercised by the Holder thereof by telecopying or faxing an executed and completed written notice signed by an authorized representative of the Holder ("Conversion Notice"), to the Corporation that the Holder elects to convert a specified number of shares of Preferred Stock representing a specified Liquidation Value thereof into shares of Common Stock and by delivering by express courier the certificate or certificates of Preferred Stock being converted to the Corporation at its principal office (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the Holders of the Preferred Stock). The business date indicated on a Conversion Notice which is telecopied to and received by the Corporation in accordance with the provisions hereof shall be deemed a Conversion Date. The Conversion Notice shall include therein the Liquidation Value of the shares of Preferred Stock to be converted, and a calculation (a) of the Stock Dividend Price, (b) the Conversion Price, and (c) the number of shares of Common Stock to be issued in connection with such conversion. The Corporation shall have the right to review the calculations included in the Conversion Notice, and shall provide notice of any discrepancy or dispute therewith within five (5) business days of the

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receipt thereof. The Holder shall deliver to the Corporation an original Conversion Notice and the original Preferred to be converted within three (3) business days from the date of the Conversion Notice.

(d) Issuance of Certificates - Time Conversion Effected. Promptly, but in no event more than fifteen (15) business days, after the receipt by facsimile of the Conversion Notice referred to in Section 4(c); and provided within the ten (10) business days the Corporation receives the certificate or certificates for the shares of Preferred Stock to be converted, the Corporation shall issue and deliver, or cause to be issued and delivered, to the Holder, registered in the name of the Holder, a certificate or certificates for the number of whole shares of Common Stock into which such shares of Preferred Stock are converted. Such conversion shall be deemed to have been effected as of the close of business on the date on which the telecopy or facsimile Conversion Notice shall have been received by the Corporation, and the rights of the Holder of such share or shares of Preferred Stock shall cease at such time, and the Holder or Holders shall be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby.

(e) Fractional Shares of Common Stock. No fractional shares of Common Stock shall be issued upon conversion of any Preferred Stock into shares of Common Stock. All fractional shares of Common Stock shall be aggregated and then rounded down to the nearest whole share of Common Stock. In case the number of shares of Preferred Stock represented by the certificate or certificates surrendered pursuant to this Section 4(e) exceeds the number of shares of Common Stock converted, the Corporation shall, upon such conversion, execute and deliver to the Holder, at the expense of the Corporation, a new certificate or certificates for the number of shares

of Preferred Stock represented by the certificate or certificates surrendered which are not to be converted.

(f) Merger or Consolidation. In case of either (a) any merger or consolidation to which the Corporation is a party (collectively, the "Merger"), other than a Merger in which the Corporation is the surviving or continuing corporation, or (b) any sale or conveyance to another corporation of all, or substantially all, of the assets of the Corporation (collectively, the "Sale"), and such Merger or Sale becomes effective while any shares of Preferred Stock are outstanding and prior to the date that the Corporation's Registration Statement covering all the Conversion Shares is declared effective by the U. S. Securities and Exchange Commission ("SEC"), the Corporation or such successor corporation as the case may be, shall make appropriate provision so that the Holder of each share of Preferred Stock then outstanding shall have the right to convert such share of Preferred Stock into the kind and amount of shares of stock or other securities and property receivable upon such Merger or Sale by a holder of the number of shares of Common Stock into which such shares of Preferred Stock could have been converted into immediately prior to such Merger or Sale, subject to adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 4.

(g) Adjustments to Conversion Price for Stock Dividends and for Combinations or Subdivisions of Common Stock. If the Corporation, at any time or from time to time while shares of Preferred Stock are issued and outstanding, shall declare or pay, any dividend on the Common Stock payable in Common Stock, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of

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shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock), or if the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price in effect immediately before such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate.

(h) Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of common stock of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares of Common Stock provided for in Section 5(g) hereof), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the Holders of Preferred Stock would otherwise have been entitled to receive, a number of shares of common stock of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the Holders upon conversion of the Preferred Stock immediately before that change.

(i) Other Adjustments to Conversion Price. Except as provided in subsection 4(j), if, after the Closing Date and during the period that any of the Preferred Stock is issued and outstanding, the Corporation shall sell (a) any shares of Common Stock for a

consideration per share less than the Conversion Price in effect immediately prior to such sale, or (b) any rights, warrants or other securities entitling the holders thereof to convert such securities into Common Stock at a price per share (determined by dividing (i) the total amount, if any, received or receivable by the Corporation in consideration of the sale of such rights, warrants or other securities plus the total amount, if any, payable to the Corporation upon exercise or conversion thereof by (ii) the number of additional shares of Common Stock issuable upon exercise or conversion of such securities) which is less than the Conversion Price in effect on the date of such sale, the Conversion Price shall be adjusted as of the date of such sale to the amount per share received and to be received by the Corporation in connection with such sale, conversion and exercise as determined above. The Holders may, if approved by the Holders of record representing a majority of the then issued and outstanding shares of Preferred Stock, waive their rights to any adjustment to the Conversion Price in connection with a particular sale covered by this Section 4(i), and, in the event of such waiver, no adjustment to the Conversion Price shall be made under this Section 4(i) as a result of such sale.

(j) No Adjustments. No adjustment in the Conversion Price shall be required in the case of (i) the grant by the Corporation of stock options to employees of the Corporation under a Stock Option Plan approved by the stockholders of the Company or (ii) the issuance of shares of Common Stock upon the exercise of stock options (a) referred to in clause (i) hereof and (b) granted by the Corporation which grant had triggered an adjustment in the Conversion Price.

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5. Redemption.

(a) Redemption at Corporation's Option. Except as otherwise provided in this Section 5, at any time, and from time to time, the Corporation may, at its sole option, but shall not be obligated to, redeem, in whole or in part, at any time, and from time to time the then outstanding Preferred Stock at the following cash redemption prices if redeemed during the following periods: (i) within twelve (12) months from June 1, 2001 - \$1,100 per share, and (ii) after June 1, 2002 - \$1,200 per share (as applicable, the redemption price of \$1,100 or \$1,200 is referred to herein as the "Redemption Price").

(b) Mechanics of Redemption. Prior to any date stipulated by the Corporation for the redemption of Preferred Stock (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed to each Holder of record on such notice date of the Preferred Stock. The Redemption Notice shall state: (i) the Redemption Date of such shares, (ii) the number of Preferred Stock to be redeemed from the holder to whom the Redemption Notice is addressed, (iii) instructions for surrender to the Corporation, in the manner and at the place designated, of a share certificate or share certificates representing the number of Preferred Stock to be redeemed from such Holder, and (iv) instructions as to how to specify to the Corporation the number of Preferred Stock to be redeemed as provided in this Section 5.

(c) Rights of Conversion Upon Redemption. If the redemption occurs, then, upon receipt of the Redemption Notice, any Holder of Preferred Stock shall have five business days during which it may exercise the option, at its sole election, to specify what portion of its Preferred Stock called for redemption in the Redemption Notice shall

be redeemed as provided in this Section 5 or converted into Common Stock in the manner provided in Section 4 hereof.

(d) **Surrender of Certificates.** On or before the Redemption Date in respect of any Preferred Stock, each holder of such shares shall surrender the required certificate or certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and upon the Redemption Date, the Redemption Price for such shares shall be made payable, in the manner provided hereof, to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered share certificate shall be canceled and retired. If a share certificate is surrendered and all the shares evidenced thereby are not being redeemed (as described below), the Corporation shall cause the Preferred Stock which are not being redeemed to be registered in the names of the persons or entity whose names appear as the owners on the respective surrendered share certificates and deliver such certificate to such person.

(e) **Payment.** On the Redemption Date in respect of any Preferred Stock or prior thereto, the Corporation shall deposit with any bank or trust company having a capital and surplus of at least \$50,000,000, as a trust fund, a sum equal to the aggregate Redemption Price of all such shares called from redemption (less the aggregate Redemption Price for those Preferred Stock in respect of which the Corporation has received notice from the holder thereof of its election to convert Preferred Stock into Common Stock), with irrevocable instructions and authority to the bank or trust company to pay, on or after the Redemption Date,

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the Redemption Price to the respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to their holders, and from and after the date of the deposit the redeemed shares shall be deemed to be no longer outstanding, and holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust company payments of the Redemption Price of the shares, without interest, upon surrender of their certificates thereof. Any funds so deposited and unclaimed at the end of one year following the Redemption Date shall be released or repaid to the Corporation, after which the former holders of shares called for redemption shall be entitled to receive payment of the Redemption Price in respect of their shares only from the Corporation.

6. Assignment.

Subject to all applicable restrictions on transfer, the rights and obligations of the Corporation and the Holder of the Preferred Stock shall be binding upon and benefit the successors, assigns, heirs, administrators, and transferees of the parties.

7. Shares of Common Stock to be Reserved.

The Corporation, upon the effective date of this Certificate of Designations, has a sufficient number of shares of Common Stock available to reserve for issuance upon the conversion of all outstanding shares of Preferred Stock, pursuant to the terms and conditions set forth in Section 4. The Corporation will at all times reserve and keep

available out of its authorized shares of Common Stock, solely for the purpose of issuance upon the conversion of Preferred Stock, as herein provided, such number of shares of Common Stock as shall then be issuable upon the conversion of all outstanding shares of Preferred Stock. The Corporation covenants that all shares of Common Stock which shall be so issued shall be duly and validly issued, fully paid and non assessable. The Corporation will take such action as may be required, if the total number of shares of Common Stock issued and issuable after such action upon conversion of the Preferred Stock would exceed the total number of shares of Common Stock then authorized by the Corporation's Certificate of Incorporation, as amended, in order to increase the number of shares of Common Stock to permit the Corporation to issue the number of shares of Common Stock required to effect conversion of the Preferred Stock, and exercise of the Warrants, to a number sufficient to permit conversion of the Preferred Stock.

8. No Reissuance of Preferred Stock.

Shares of Preferred Stock which are converted into shares of Common Stock as provided herein shall be retired and shall become authorized but unissued shares of Preferred Stock, which may be reissued as part of a new series of preferred stock hereafter created.

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9. Closing of Books.

The Corporation will at no time close its transfer books against the transfer of any Preferred Stock or of any shares of Common Stock issued or issuable upon the conversion of any shares of Common Stock of Preferred Stock in any manner which interferes with the timely conversion of such Preferred Stock, except as may otherwise be required to comply with applicable securities laws.

10. No Preemptive Rights.

The Preferred Stock shall not give its holders any preemptive rights to acquire any other securities issued by the Corporation at any time in the future.

11. Definition of Shares.

As used in this Certificate of Designations, the term "shares of Common Stock" shall mean and include the Corporation's authorized common stock, par value \$.001, as constituted on the date of filing of these terms of the Preferred Stock, or in case of any reorganization, reclassification, or stock split of the outstanding shares of Common Stock thereof, the stock, securities or assets provided for hereof.

The said determination of the designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, relating to the Preferred Stock was duly made by the Board of Directors pursuant to

the provisions of the Corporation's Restated Certificate of Incorporation and in accordance with the provisions of the Delaware General Corporation Law.

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State of Delaware

Office of the Secretary of State

Page 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DESIGNATION OF "PERMA-FIX ENVIRONMENTAL SERVICES, INC.," FILED IN THIS OFFICE ON THE FOURTEENTH DAY OF JUNE, A.D. 2001, AT 10:01 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

s/ Harriet Smith Windsor

Harriett Smith Windsor, Secretary of State

Authentication: 1188613

2249849 8100

Date: 06-14-01

010285660

**CERTIFICATE OF ELIMINATION
OF**

**SERIES 14 CLASS N CONVERTIBLE PREFERRED STOCK
AND
SERIES 15 CLASS O CONVERTIBLE PREFERRED STOCK
AND
SERIES 16 CLASS P CONVERTIBLE PREFERRED STOCK
OF
PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

PERMA-FIX ENVIRONMENTAL SERVICES, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies the following:

1. That the Certificate of Designations of Series 14 Class N Convertible Preferred Stock, par value \$.001 per share, of the Corporation (the "Series 14 Preferred") was filed with the Delaware Secretary of State on August 10, 1999 (the "Series 14 Certificate of Designations").

2. That a portion of the outstanding shares of the Series 14 Preferred have been converted into common stock of the Corporation and all of the remaining balance have been delivered to the Company and exchanged pursuant to an agreement with the holder thereof in accordance with the terms and conditions of a certain Conversion and Exchange Agreement between the Company and RBB Bank Aktiengesellschaft, dated as of May 25, 2001 ("Exchange Agreement").

3. That no shares of Series 14 Preferred remain outstanding.

4. That all shares of the Series 14 Preferred which have been exchanged have the status of authorized and unissued shares of the preferred stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

5. That effective May 25, 2001, the Board of Directors of the Company duly adopted the following resolutions:

RESOLVED, that upon completion of the conversion and exchange with the holder of the

Series 14 Class N Convertible Preferred Stock, no authorized shares of Series 14

Class N Convertible Preferred Stock will remain outstanding and no shares of Series 14

Class N Convertible Preferred Stock will be issued subject to the Certificate of Designations previously filed with respect to the Series 14 Class N Convertible Preferred Stock.

FURTHER RESOLVED, that upon completion of the exchange, the officers of the

Company are hereby authorized and directed, for and on behalf of the Company, to execute

and deliver an appropriate Certificate of Elimination to the Secretary of State of Delaware regarding the Series 14 Class N Convertible Preferred Stock.

6. That the Certificate of Designations of the Series 15 Class O Convertible Preferred Stock, par value \$.001 per share, of the Corporation (the "Series 15 Preferred") was filed on August 10, 1999 (the "Series 15 Certificate of Designations").

7. That all outstanding shares of the Series 15 Preferred have been delivered to the Company and exchanged pursuant to the Exchange Agreement.

8. That no shares of Series 15 Preferred remain outstanding.

9. That all shares of the Series 15 Preferred which have been exchanged have the status of authorized and unissued shares of the Preferred Stock of the Corporation without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

10. That effective May 25, 2001, the Board of Directors of the Company duly adopted the following resolutions:

RESOLVED, that upon completion of the exchange with the holder of the Series 15 Class O Convertible Preferred Stock no authorized shares of Series 15 Class O Convertible Preferred Stock will remain outstanding and no shares of Series 15 Class O Convertible Preferred Stock will be issued subject to the Certificate of Designations previously filed with respect to the Series 15 Class O Convertible Preferred Stock.

FURTHER RESOLVED, that upon completion of the exchange, the officers of the Company are hereby authorized and directed, for and on behalf of the Company, to execute and deliver an appropriate Certificate of Elimination to the Secretary of State of Delaware regarding the Series 15 Class O Convertible Preferred Stock.

11. That the Certificate of Designations of the Series 16 Class P Convertible Preferred Stock, par value \$.001 per share, of the Corporation (the "Series 16 Preferred") was filed on August 10, 1999 (the "Series 16 Certificate of Designations").

12. That all outstanding shares of the Series 16 Preferred have been delivered to the Company and exchanged pursuant to the Exchange Agreement.

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13. That no shares of Series 16 Preferred remain outstanding.

14. That all shares of the Series 16 Preferred which have been exchanged have the status of authorized and unissued shares of the Preferred Stock of the Corporation

without designation as to series, until such shares are once more designated as part of a particular series by the Board of Directors.

15. That effective May 25, 2001, the Board of Directors of the Company duly adopted the following resolutions:

Series 16
P
16
RESOLVED, that upon completion of the exchange with the holder of the Class P Convertible Preferred Stock, no authorized shares of Series 16 Class P Convertible Preferred Stock will remain outstanding and no shares of Series 16 Class P Convertible Preferred Stock will be issued subject to the Certificate of Designations previously filed with respect to the Series 16 Class P Convertible Preferred Stock.

the
Company,
of State
FURTHER RESOLVED, that upon completion of the exchange, the officers of the Company are hereby authorized and directed, for and on behalf of the Company, to execute and deliver an appropriate Certificate of Elimination to the Secretary of Delaware regarding the Series 16 Class P Convertible Preferred Stock.

16. That pursuant to the provisions of Section 151(g) of the Delaware General Corporation Law, upon the effective date of the filing of this Certificate, this Certificate will have the effect of eliminating from the Restated Certificate of Incorporation only those matters set forth in the Restated Certificate of Incorporation with respect to the Series 14 Class N Convertible Preferred Stock, the Series 15 Class O Convertible Preferred Stock, and the Series 16 Class P Convertible Preferred Stock

IN WITNESS WHEREOF, this Certificate of Elimination has been executed this 25th day of May, 2001, by the President of the Company.

ATTEST:

PERMA-FIX ENVIRONMENTAL
SERVICES, INC.

/s/ Richard T. Kelecy
Richard T. Kelecy, Secretary
President

By: /s/ Louis Centofanti
Dr. Louis F. Centofanti,

(SEAL)

CONNER & WINTERS, P.C.

LAWYERS

ONE LEADERSHIP SQUARE
211 NORTH ROBINSON, SUITE 1700
OKLAHOMA CITY, OKLAHOMA 73102-7101
(405) 272-5711
FAX (405) 232-2695

WRITER'S DIRECT NUMBER
(405) 272-5718
WRITER'S E-MAIL ADDRESS
mbennett@cwlaw.com

December 27, 2001

Perma-Fix Environmental Services, Inc.
1940 Northwest 67th Place
Gainesville, Florida 32606

Re: *Perma-Fix Environmental Services, Inc.; Form S-8 Registration Statement 1992 Outside Directors Stock Option and Incentive Plan (f/k/a 1992 Outside Directors Stock Option Plan), and 1993 Nonqualified Stock Option Plan; Our File No. 7034.1*

Gentlemen:

We are delivering this opinion to you in connection with the preparation and filing with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act"), of the Registration Statement on Form S-8 (the "Registration Statement") of Perma-Fix Environmental Services, Inc., a Delaware corporation (the "Company"), for the registration of an additional (a) 400,000 shares of the Company's Common Stock, \$.001 par value (the "Common Stock"), issued or issuable by the Company pursuant to the Company's 1992 Outside Directors Stock Option and Incentive Plan (the "1992 Plan"), and (b) 2,144,171 shares of Common Stock issued or issuable by the Company pursuant to the Company's 1993 Nonqualified Stock Option Plan (the "1993 Plan") from time to time to employees of the Company and its subsidiaries.

In connection with this opinion, the undersigned has examined and relied upon such corporate records, certificates, other documents and questions of law, as we have considered necessary or appropriate for the purposes of this opinion, including, but not limited to, the following:

- (a) the Company's Restated Certificate of Incorporation, as amended;
- (b) the Company's Bylaws;
- (c) the Registration Statement on Form S-8, No. 33-80580, dated June 20, 1994 registering 572,455 shares of the Company's Common Stock issued or issuable

under the Company's 1991 Performance Equity Plan, the 1992 Plan, and the 1993 Plan;

(d) the 1992 Plan, as amended by the Amendment to 1992 Outside Directors Stock Option Plan, dated November 12, 1993; the Second Amendment to 1992 Outside Directors Stock Option Plan, dated December 12, 1994; the Third Amendment to 1992 Outside Directors Stock Option and Incentive Plan, dated December 12, 1996; and the Fourth Amendment to 1992 Outside Directors Stock Option and Incentive Plan, dated May 20, 1998;

(e) the 1993 Plan;

(f) a certificate of good standing of the State of Delaware, dated December 26, 2001, as to the good standing of the Company; and

(g) the Registration Statement.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of all persons, the authenticity of all documents submitted as originals, the conformity with the original documents of all documents submitted as certified or photostatic copies, and the authenticity of the originals of such copies. We have further assumed that each recipient of shares of the Company's Common Stock under the 1992 Plan and the 1993 Plan is eligible to participate in the 1992 Plan or the 1993 Plan, as applicable, and that any shares of the Company's Common Stock to be issued pursuant to the 1992 Plan and the 1993 Plan will have been registered in accordance with the Act, absent the application of an exemption from registration, prior to the issuance of such shares.

In reliance upon, and based on, such examination and review, we are of the opinion that (a) the additional 400,000 shares of Common Stock which have been or may be issued pursuant to the 1992 Plan do or will constitute, when issued pursuant to the terms of such 1992 Plan, duly authorized, validly issued, fully paid and nonassessable shares of Common Stock of the Company and (b) the additional 2,144,171 shares of Common Stock issuable under the 1993 Plan will constitute, when issued pursuant to the terms of such 1993 Plan, duly authorized, validly issued, fully paid and nonassessable shares of Common Stock of the Company .

We hereby consent to the filing of this opinion as Exhibit 5.1 to said Registration Statement and to the reference to Conner & Winters, P.C. wherever it appears in such Registration Statement.

Very truly yours,

CONNER & WINTERS, P.C.

/s/ Conner & Winters, P.C.

IHS/MHB/plh

BDO

2500

BDO Seidman, LLP

Accountants and Consultants

233 N. Michigan Avenue, Suite

Chicago, Illinois 60601

Telephone: (312) 856-9100

Fax: (312) 856-1379

Consent of Independent Certified Public Accountants

Perma-Fix Environmental Services, Inc.
Gainesville, Florida

We hereby consent to the incorporation by reference in this Registration Statement of our report dated March 9, 2001, relating to the consolidated financial statements and schedule of Perma-Fix Environmental Services, Inc. and subsidiaries appearing in the Company's Annual Report on form 10-K for the year ended December 31, 2000.

/s/ BDO Seidman, LLP

BDO Seidman, LLP
Chicago, Illinois
December 21, 2001

**PERMA-FIX ENVIRONMENTAL SERVICES, INC.
1992 OUTSIDE DIRECTORS STOCK OPTION PLAN**

**ARTICLE I
DEFINITIONS**

As used herein, the following terms have the meanings hereinafter set forth unless the context clearly indicates to the contrary:

- (a) "Board" shall mean the Board of Directors of the Company.
- (b) "Company" shall mean Perma-Fix Environmental Services, Inc.
- (c) "Date of Grant" shall mean the date an Eligible Director is initially elected to the Board of Directors and each date after the Effective Date of the Plan on which the Eligible Director begins a new year of service as a member of the Board of Directors.
- (d) "Fair Market Value" shall mean the closing sales price, or the mean between the closing high "bid" and low "asked" prices, as the cause may be, of the Stock in the over-the-counter market on the day on which such value is to be determined, as reported by the National Association of Securities Dealers Automated Quotation System or successor national quotation service. If the Stock is listed on a national securities exchange, "Fair Market Value" shall mean the closing price of the Stock on such national securities exchange on the day on which such value is to be determined, as reported in the composite quotations for securities traded on such exchange provided by the National Association of Securities Dealers or successor national quotation service. In the event no such quotations are available for the day in question, "Fair Market Value" shall be determined by reference to the appropriate prices on the next preceding day for which such prices are reported.
- (e) "Effective Date of the Plan" shall mean the date of adoption by the stockholders of the Company.
- (f) "Eligible Director" shall mean any Director of the Company who is not an employee of the Company or its subsidiaries.
- (g) "Option" shall mean an Eligible Director's stock option to purchase Stock granted pursuant to the provisions of Article V hereof.
- (h) "Optionee" shall mean an Eligible Director to whom an Option has been granted hereunder.
- (i) "Option Price" shall mean the price at which an Optionee may purchase a share of Stock under a Stock Option Agreement.
- (j) "Plan" shall mean the Perma-Fix Environmental Services, Inc. 1992 Outside Directors Stock Option Plan, the terms of which are set forth herein.
- (k) "Stock" shall mean the common stock, par value \$.001 per share, of the Company or, in the event that the outstanding shares of Stock are hereafter changed into or exchanged for different stock or securities of the Company or some other corporation, such other stock or securities.
- (l) "Stock Option Agreement" shall mean an agreement between the Company and the Optionee under which the Optionee may purchase Stock in accordance with the Plan.

**ARTICLE II
THE PLAN**

- 2.1 Name. This Plan shall be known as the "Perma-Fix Environmental Services, Inc. 1992 Outside Directors

Stock Option Plan."

2.1 Purpose. The purpose of the Plan is to advance the interests of the Company and its stockholders by affording Eligible Directors of the Company an opportunity to acquire or increase their proprietary interests in the Company, and thereby to encourage their continued service as directors and to provide them additional incentives to achieve the growth objectives of the Company.

2.3 Effective Date. The Effective Date of the Plan is date of adoption by the stockholders.

2.4 Termination Date. The Plan shall terminate and no further Options shall be granted hereunder upon the tenth anniversary of the Effective Date of the Plan.

ARTICLE III PARTICIPANTS

Each Eligible Director shall participate in the Plan, provided that he is elected to a regular term as such a member at an Annual Meeting of stockholders of the Company, or any adjournment thereof.

ARTICLE IV SHARES OF STOCK SUBJECT TO PLAN

4.1 Limitations. Subject to any antidilution adjustment pursuant to the provisions of Section 4.2 hereof, the maximum number of shares of Stock which may be issued and sold hereunder shall not exceed 100,000 shares of Stock. Shares of Stock subject to an Option may be either authorized and unissued shares or shares issued and later acquired by the Company; provided however, the shares of Stock with respect to which an Option has been exercised shall not again be available for Option hereunder. If outstanding Options granted hereunder shall terminate or expire for any reason without being wholly exercised prior to the end of the period during which Options may be granted hereunder, new Options may be granted hereunder covering such unexercised shares.

4.2 Antidilution. In the event that the outstanding shares of Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation by reason of merger, consolidation, reorganization, recapitalization, reclassification, combination of shares, stock split or stock dividend:

(a) The aggregate number and kind of shares of Stock for Options may be granted hereunder shall be adjusted appropriately;

(b) The rights under outstanding Options granted hereunder, both as to the number of subject shares and the Option price, shall be adjusted appropriately; and

(c) Where dissolution or liquidation of the Company or any merger or combination in which the Company is not a surviving corporation is involved, each outstanding Option granted hereunder shall terminate, but the Optionee shall have the right, immediately prior to such dissolution, liquidation, merger or combination, to exercise his Option, in whole or in part, to the extent that it shall not have been exercised, without regard to the date on which such Option would otherwise have become exercisable pursuant to Section 5.4.

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The foregoing adjustments and the manner of application thereof shall be determined solely by the Board, and any such adjustment may provide for the elimination of fractional share interests. The adjustments required under this Article shall apply to any successor or successors of the Company and shall be made regardless of the number or type of successive events requiring adjustments hereunder.

ARTICLE V

OPTIONS

5.1 Option Grant, Number of Shares and Agreement. Each Eligible Director shall automatically be granted an Option to purchase Five Thousand (5,000) shares of Stock on each Date of Grant. In addition, each Director will be granted an additional 10,000 options on the date a Director is initially elected to the Board of Directors. Each Option so granted shall be evidenced by a written Stock Option Agreement, dated as of the Date of Grant and executed by the Company and the Optionee, stating the Option's duration, time of exercise, and exercise price. The terms and conditions of the Option shall be consistent with the Plan.

5.2 Option Price. The Option Price of the Stock subject to each Option shall be the Fair Market Value of the Stock on its Date of Grant.

5.3 Exercise Period. The period for the exercise of each Option shall expire on the tenth anniversary of the Date of Grant.

5.4 Option Exercise.

(a) No Option granted under the plan shall become exercisable in full on the Date of Grant. An option shall remain exercisable after its exercise date at all times during the Exercise Period, regardless of whether the Optionee thereafter continues to serve as a member of the Board.

(b) An Option may be exercised at any time or from time to time during the term of the Option as to any or all full shares which have become exercisable in accordance with this Section, but not as to less than 1000 shares of Stock unless the remaining shares of Stock that are so exercisable are less than 100 shares of Stock. The Option price is to be paid in full in cash upon the exercise of the Option. The holder of an Option shall not have any of the rights of a Stockholder with respect to the shares of Stock subject to the Option until such shares of Stock have been issued or transferred to him upon the exercise of his option.

(c) An Option shall be exercised by written notice of exercise of the Option, with respect to a specified number of shares of Stock, delivered to the Company at its principal office, and by cash payment to the Company at said office of the full amount of the Option price for such number of shares. In addition to, and prior to the issuance of a certificate for shares pursuant to any Option exercise, the Optionee shall pay to the Company in cash the full amount of any federal and state withholding or other employment taxes applicable to the taxable income of such Optionee resulting from such exercise.

5.5 Nontransferability of Option. Options may not be transferred by an Optionee otherwise than by will or the laws of descent and distribution. During the lifetime of an Optionee, his Option may be exercised only by him (or by his guardian or legal representative, should one be appointed). In the event of the death of an Optionee, any Option held by him may be exercised by his legatee(s) or other distributee(s) or by his personal representative.

ARTICLE VI STOCK CERTIFICATES

The Company shall not be required to issue or deliver any certificate for shares of Stock purchased upon the exercise of any Option granted hereunder or any portion thereof unless, in the opinion of counsel to the Corporation, there has been compliance with all applicable legal requirements. An Option granted under the Plan may provide that the Company's obligation to deliver shares of Stock upon the exercise thereof may be conditioned upon the receipt by the Company of a representation as to the investment intention of the holder thereof in such form as the Company

shall determine to be necessary or advisable solely to comply with the provisions of the Securities Act of 1933, as amended, or any other federal, state or local securities laws.

ARTICLE VII TERMINATION, AMENDMENT AND MODIFICATION OF PLAN

The Board may at any time terminate the Plan, and may at any time and from time to time and, in any respect amend or modify the Plan; provided, however, that the provisions of Section 5.1 of the Plan may not be amended more than once every six months other than to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules thereunder.

ARTICLE VIII RELATIONSHIP TO OTHER COMPENSATION PLANS

The adoption of the plan shall neither affect any other stock option, incentive or other compensation plans in effect for the Company or any of its subsidiaries, nor shall the adoption of the Plan preclude the Company from establishing any other forms of incentive or other compensation plan for directors of the Company.

ARTICLE IX MISCELLANEOUS

9.1 Plan Binding on Successors. The Plan shall be binding upon the successors and assigns of the Company.

9.2 Singular, Plural; Gender. Whenever used herein, nouns in the singular shall include the plural, and the masculine pronoun shall include the feminine gender.

9.3 Headings, etc.. No Part of Plan. Headings of articles and paragraphs hereof are inserted for convenience and reference, and do not constitute a part of the Plan.

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AMENDMENT TO 1992 OUTSIDE DIRECTORS STOCK OPTION PLAN

THIS AMENDMENT TO THE PERMA-FIX ENVIRONMENTAL SERVICES, INC. OUTSIDE DIRECTORS STOCK OPTION PLAN (the "Amendment") was approved by the Board of Directors of Perma-Fix Environmental Services, Inc., a Delaware corporation (the "Company"), on November 12, 1993.

WHEREAS, the Board of Directors of the Company (the "Board"), subject to approval by the stockholders of the Company, has adopted the 1992 Outside Directors Stock Option Plan (the "Plan");

WHEREAS, Article VII of the Plan provides that the Board may at any time, and from time to time, in any

respect amend or modify the Plan;

WHEREAS, pursuant to its authority under Article VII of the Plan, the Board has the power and authority to amend the Plan, and does hereby desire to amend the Plan to conform to Rule 16b-3 of the Securities Exchange Act of 1934, which requires at least six (6) months to elapse from the date of the acquisition of a derivative security to the date of the disposition of the derivative security or its underlying equity security.

NOW, THEREFORE, the following amendment to the Plan is unanimously adopted by the Board:

1. Section 5.4(a) is hereby amended by deleting the first full sentence contained therein and substituting in lieu thereof the following: "No Option granted under the Plan shall become exercisable until after the expiration of six (6) months from the Date of Grant."

2. The Plan is amended and modified only to the extent specifically amended or modified by this Amendment to 1992 Outside Directors Stock Option Plan, and none of the other terms, conditions or provisions of the Plan are amended, or modified, by this Amendment to 1992 Outside Directors Stock Option Plan.

SECOND AMENDMENT TO 1992 OUTSIDE DIRECTORS STOCK OPTION PLAN

THIS SECOND AMENDMENT TO THE PERMA-FIX ENVIRONMENTAL SERVICES, INC. OUTSIDE DIRECTORS STOCK OPTION PLAN (the "Second Amendment") was approved by the Board of Directors of Perma-Fix Environmental Services, Inc., a Delaware corporation (the "Company"), on October __, 1994.

WHEREAS, Article VII of the 1992 Outside Directors Stock Option Plan, as amended by the Amendment approved by the stockholders of the Company on November 12, 1993 (the "Plan"), provides that the Board of Directors of the Company (the "Board") may at any time, and from time to time, in any respect amend or modify the Plan; provided, however, that the provisions of Section 5.1 of the Plan may not be amended more than once every six (6) months, other than

to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules thereunder;

WHEREAS, in order to further enhance the outside directors' interests in the Company's continued success by further increasing their proprietary interest in the Company, the Board is of the opinion that the Eligible Directors should receive that number of shares of Common Stock, par value \$.001, of the Company ("Common Stock") having a Fair Market Value (as defined in the Plan), which Fair Market Value is determined on the business day immediately preceding the date that the Director's Fee (as defined below) is due, equal to sixty-five percent (65%) of the fee payable to each non-employee director of the Company ("Eligible Director") for his services rendered to the Company as a member of the Board (the "Director's Fee"), in lieu of payment in cash of such percentage of the Director's Fee to such Eligible Director.

WHEREAS, as of October 1, 1994, options to purchase up to seventy-five thousand (75,000) shares of Common Stock of the one hundred thousand (100,000) shares of Common Stock which may be issued under the Plan have been granted to the Eligible Directors, pursuant to the terms of the Plan;

WHEREAS, in order to continue to attract and retain qualified members of the Board who are not employees of the Company, the Board is of the opinion that it is necessary that the maximum number of shares of Common Stock that may be issued under the Plan be increased from one hundred thousand (100,000) shares to two hundred fifty thousand (250,000) shares (subject to adjustment as provided in the Plan), and that the Eligible Directors receive, in lieu of sixty-five percent (65%) of the Director's Fee, shares of Common Stock; and,

WHEREAS, in light of the above-referenced amendments to the Plan, the Board is of the opinion that the name of the Plan should be changed to better reflect the purposes of the Plan.

NOW, THEREFORE, the following amendments to the Plan are unanimously adopted by the Board, subject to the approval of the stockholders of the Company:

A. The name of the Perma-Fix Environmental Services, Inc. 1992 Outside Directors Stock Option Plan is hereby changed to "Perma-Fix Environmental Services, Inc. 1992 Outside Directors Stock Option and Incentive Plan".

B. Section 1.10 of the Plan is hereby deleted in its entirety and the following new Section 1.10 is substituted in lieu thereof:

1.10 "Plan" shall mean the Perma-Fix Environmental Services, Inc. 1992 Outside Directors Stock Option and Incentive Plan, the terms of which are set forth herein.

C. Section 1.12 of the Plan is hereby redesignated as Section 1.13 and the following new Section 1.12 is hereby added immediately before Section 1.13:

1.12 "Stock Award" shall mean an Eligible Director's right to receive shares of Stock pursuant to Section 5.1.3 of the Plan.

D. Section 2.1 of the Plan is hereby amended by deleting the phrase, "Perma-Fix Environmental Services, Inc. 1992 Outside Directors Stock Option Plan", and substituting in lieu thereof, the phrase, "Perma-Fix Environmental Services, Inc. 1992 Outside Directors Stock Option and Incentive Plan".

E. Section 2.4 of the Plan is hereby deleted in its entirety and the following new Section 2.4 is hereby substituted in lieu thereof:

2.4 Termination Date. The Plan shall terminate and no further Options or Stock Awards shall be granted hereunder upon the tenth (10th) anniversary of the effective date of the Plan.

F. Section 4.1 of the Plan is hereby amended by (i) deleting the number "100,000" from the first full sentence contained therein and substituting in lieu thereof the number "250,000", and (ii) in the second full sentence contained therein inserting the phrase "or Stock Award" immediately following the word "Option" and immediately before the word "may"..

G. Section 4.2.1 of the Plan is hereby deleted in its entirety and the following new Section 4.2.1 is hereby substituted in lieu thereof:

4.2.1 The aggregate number of shares of Stock for which Options may be granted or for which Stock Awards may be issued shall be adjusted appropriately.

-2-

H. Article V of the Plan is hereby redesignated "Options and Stock Awards".

I. Section 5.1 of the Plan is hereby deleted in its entirety and the following Section 5.1 is hereby substituted in lieu thereof:

5.1 Stock Options and Stock Awards, Number of Shares and Agreement.

5.1.1 Each Eligible Director shall automatically be granted an Option to purchase ten thousand (10,000) shares of Stock on the date a Director is initially elected to the Board of Directors of the Company.

5.1.2 Each Eligible Director shall automatically be granted an Option to purchase

five thousand (5,000) shares of Stock on each Date of Grant.

5.1.3 Each Eligible Director shall automatically receive that number of shares of

Stock determined by dividing the amount equal to sixty-five percent (65%) of the fee payable to each Eligible Director for services rendered to the Company as a member of the Board (the "Director's Fee") by the Fair Market Value of the Stock, which is determined on the business day immediately preceding the date that the Director's Fee is due. The shares of Stock awarded pursuant to this Section 5.1.3 shall be issued in lieu of the cash payment of sixty-five percent (65%) of the Director's Fee payable to each Eligible Director. Thirty-five percent (35%) of the Director's Fee shall be paid in cash or by check to the Eligible Director.

5.1.4 Each Option so granted shall be evidenced by a written Stock Option

Agreement, dated as of the Date of Grant and executed by the Company and the Optionee, stating the Option's duration, time of exercise, and exercise price. The terms and conditions of the Option shall be consistent with the Plan.

5.1.5 The Board may require each Eligible Director receiving a Stock Award

pursuant to Section 5.1.3 to represent to and agree with the Company in writing that each Eligible Director is acquiring the shares of Stock for investment without a view to distribution, and may condition the issuance of shares of Stock pursuant to the Stock Award on such other representation or agreement as may be necessary or advisable solely to comply with the provisions of the Securities Act of 1933, as amended, or any other federal, state or local securities laws.

J. Article V of the Plan is hereby amended by inserting the following Section 5.6 at the end thereof:

5.6 Nontransferability of Stock Award. No shares of Stock issued under the Plan pursuant to Stock Awards may be transferred by the recipient thereof for a period of six (6) months from the date such Stock is issued to the Eligible Director, other than by will or the laws of descent and distribution. The certificates representing shares of Stock issued under Stock Awards shall bear a legend to the foregoing effect.

The Plan is amended and modified only to the extent specifically amended or modified by this Second Amendment to 1992 Outside Directors Stock Option Plan, and none of the other terms, conditions or provisions of the Plan, as previously amended, are amended or modified by this Second Amendment to 1992 Outside Directors Stock Option Plan.

**THIRD AMENDMENT TO
1992 OUTSIDE DIRECTORS STOCK OPTION AND INCENTIVE PLAN**

THIS THIRD AMENDMENT TO THE PERMA-FIX ENVIRONMENTAL SERVICES, INC. OUTSIDE DIRECTORS STOCK OPTION AND INCENTIVE PLAN (the "Third Amendment") was approved by the Board of Directors (the "Board") of Perma-Fix Environmental Services, Inc. (the "Company") on September 19, 1996.

WHEREAS, Article VII of the 1992 Outside Directors Stock Option Plan, as amended (including, but not limited to the Second Amendment approved by the stockholders on November 12, 1993) (the "Plan"), provides that the Board may at any time, and from time to time, in any respect amend or modify the Plan; provided, however, that the provisions of Section 5.1 of the Plan may not be amended more than once every six (6) months, other than to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules thereunder;

WHEREAS, in order to continue to attract and retain qualified members of the Board who are not employees of the Company or any of its subsidiaries ("Eligible Director") and to further enhance each of the Eligible Director's interests in the Company's continued success by further increasing each Eligible Director's proprietary interest in the Company, the Board is of the opinion that the Plan should be further amended, subject to shareholder approval, to allow the Eligible Directors to have the option of receiving sixty-five percent (65%) of the Director Fee (as defined below) in common stock, par value \$.001 per share of the Company ("Common Stock") with the balance paid in cash or receiving one hundred percent (100%) of the Director Fee in Common Stock of the Company and that in either case the number of shares of Common Stock of the Company issuable to the Eligible Director shall be determined by valuing the Common Stock of the Company at seventy-five percent (75%) of its Fair Market Value (as defined in the Plan), which Fair Market Value is determined on the business day immediately preceding the date that the Director Fee is due; and,

WHEREAS, the Plan should be further amended in order to modify the terms of the Plan to comport with certain changes in the rules promulgated regarding Section 16 of the Securities Exchange Act of 1934, as amended;

NOW, THEREFORE, the following amendments to the Plan are unanimously adopted by the Board, subject to the approval of the stockholders of the Company:

A. Section 5.1.3 of the Plan is hereby deleted in its entirety and the following Section 5.1.3 is hereby substituted in lieu thereof:

5.1.3 Each Eligible Director shall receive, at such Eligible Director's option, either sixty-five percent (65%) or one hundred percent (100%) of the fee payable to such Eligible Director for services rendered to the Company as a member of the board (the "Director's Fee") in Stock. Fair Market Value as used in this Section 5.1.3, shall be determined on the business day immediately preceding the date that the Director Fee is due. If the Eligible Director wishes to receive sixty-five percent (65%) of his Director's Fee in Stock: (i) the Eligible Director will receive the number of shares obtained by dividing sixty-five percent (65%) of the applicable Director Fee by seventy-five percent (75%) of the Fair Market Value of the Stock and (ii) the Eligible Director will receive thirty-five (35%) of his Director's Fee in cash or its equivalent. If the Eligible Director wishes to receive one hundred percent (100%) of his Director's Fee in Stock the Eligible Director will receive the

number of shares obtained by dividing the applicable Director's Fee by seventy-five percent (75%) of the Fair Market Value of the Stock.

B. Section 5.1 of the Plan is hereby amended by inserting the following Section 5.1.6 at the end thereof:

5.1.6 The election of the Eligible Director, as described in Section 5.1.3 hereof, shall be made in writing to the Company at any time prior to the date on which the Director Fee is due. Should an Eligible Director fail to make such election in a timely manner, such Eligible Director shall be deemed to have elected to receive one hundred percent (100%) of the Director's Fee payable to such Eligible Director in Stock as described in Section 5.1.3.

C. Article VII of the Plan is hereby deleted in its entirety and the following Article VII is hereby substituted in lieu thereof:

ARTICLE VII

The Board may at any time terminate the Plan, and may at any time and from time to time and, in any respect amend or modify the Plan.

The Plan is amended and modified only to the extent specifically amended or modified by this Third Amendment to the 1992 Outside Directors Stock Option and Incentive Plan, and none of the other terms, conditions or provisions of the Plan, as previously amended, is amended or modified by this Third Amendment to the 1992 Outside Directors Stock Option and Incentive Plan.

**FOURTH AMENDMENT TO
1992 OUTSIDE DIRECTORS STOCK OPTION AND INCENTIVE PLAN**

THIS FOURTH AMENDMENT TO THE PERMA-FIX ENVIRONMENTAL SERVICES, INC. OUTSIDE DIRECTORS STOCK OPTION AND INCENTIVE PLAN (the "Fourth Amendment") was approved by the Board of Directors (the "Board") of Perma-Fix Environmental Services, Inc. (the "Company") on March 12, 1998.

WHEREAS, Article VII of the 1992 Outside Directors Stock Option and Incentive Plan, as amended (the "Plan"), provides that the Board may at any time, and from time to time and, in any respect amend or modify the Plan;

WHEREAS, as of December 31, 1997, options to purchase up to one hundred sixty thousand (160,000) shares of Common Stock of the two hundred fifty thousand (250,000) shares of Common Stock which may be issued under the Plan have been granted to eligible Directors, and 70,493 shares of Common Stock have been issued in payment of Directors Fees, pursuant to the terms of the plan;

WHEREAS, in order to continue to attract and retain qualified members of the Board who are not employees of the Company, the Board is of the opinion that it is necessary that the maximum number of shares of Common Stock that may be issued under the Plan be increased from two hundred fifty thousand (250,000) shares to five hundred thousand (500,000) shares (subject to adjustment as provided in the Plan); and,

NOW, THEREFORE, the following amendments to the plan are unanimously adopted by the Board, subject to the approval of the stockholders of the Company:

- (a) Section 4.1 of the Plan is hereby amended by (i) deleting the number "250,000" from the first full sentence contained therein and substituting in lieu thereof the number "500,000."

The Plan, as previously amended, is amended and modified only to the extent specifically amended or modified by this Fourth Amendment to the 1992 Outside Directors Stock Option and Incentive Plan, and none of the other terms, conditions or provisions of the Plan, as previously amended, is amended or modified by this Fourth Amendment to the 1992 Outside Directors Stock Option and Incentive Plan.