

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K  
CURRENT REPORT

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

Date of Report (Date of earliest event reported) May 1, 2009

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

<u>Delaware.</u>	<u>1-11596.</u>	<u>58-1954497</u>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
<u>8302 Dunwoody Place, Suite 250, Atlanta, Georgia</u>	<u>30350</u>	
(Address of principal executive offices)	(Zip Code)	

Registrant's telephone number, including area code: (770) 587-9898

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

## Section 5 – Corporate Governance and Management

### Item 5.02 – Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

#### *Management Incentive Plans (“MIP”)*

On May 1, 2009, the Company’s Compensation and Stock Option Committee (“Compensation Committee”) approved individual management incentive plans for fiscal year 2009 for Dr. Louis F. Centofanti, our Chief Executive Officer (“CEO”), Larry McNamara, our Chief Operating Officer (“COO”), and Ben Naccarato, our Chief Financial Officer (“CFO”). The MIPs are effective as of January 1, 2009. Each MIP provides cash compensation based on achievement of performance thresholds, with the amount of such compensation established as a percentage of base salary. The potential target performance compensation ranges from 25% to 44% of the 2009 base salary for the CFO and 50% to 87% of the base salary for each of the COO and CEO.

The performance compensation for the COO and CEO is based upon achievement of corporate financial net income and revenue, health, safety, and environmental compliance objectives during fiscal year 2009. Of the total potential performance compensation, 55% is based on net income goals, 15% is based on revenue goals, 15% is based on the number of health and safety claim incidents that occur during fiscal year 2009, and the remaining 15% is based on the number of notices alleging violations relating to environmental, health or safety requirements under our permit or license violations that occur during the fiscal year. The revenue and net income components are based on our board approved 2009 budget.

The performance compensation for the CFO is based upon achievement of net income, administrative expense, financial oversight, centralization of accounting and information technology functions objectives, as well as the timely filing with the Securities and Exchange Commission (“SEC”) of the Company’s annual and quarterly reports and Form 8-Ks. Of the total potential performance compensation, 25% is based on net income goals, 15% is based on maintaining or reducing our budgeted administrative expense, 10% is based on the timeliness of the Company’s annual, quarterly, and Form 8-K report filings with the SEC, 10% is based on financial oversight, 10% is based on compliance with the requirements of the Sarbanes-Oxley Act of 2002, and 30% is based on accounting centralization and information technology objectives. The net income and administrative expense components are based on our board approved 2009 budget.

Performance compensation earned under each MIP by the CEO, COO, and CFO will be reduced by 15% if the Company’s unbilled trade receivable balance older than December 31, 2006, is not reduced by \$4.0 million or more as of December 31, 2009, from the unbilled balance as of December 31, 2008. The minimum performance compensation becomes payable upon achieving between 85% to 100% of corporate financial objectives, with the maximum performance compensation becoming payable upon achieving 161% of such objectives, except the CFO’s minimum performance compensation for achieving administrative expense goals is based on maintaining the Company’s administrative expense at 100% of the objective, with the maximum performance compensation payable if administrative expense is 88% of the objective.

The annual MIP compensation is estimated and prepaid on a quarterly basis. The following table sets forth the MIP compensation payable with respect to the first quarter of 2009:

Name	MIP Compensation 1 <sup>st</sup> Quarter 2009
Dr. Louis F. Centofanti	\$ 29,887.65
Larry McNamara	\$ 26,566.80
Ben Naccarato	\$ 8,775.00

Based on the amount of annual MIP compensation payable with respect to the 1<sup>st</sup> quarter of 2009, if the participants achieve the maximum amounts that may be earned for the remaining three quarters of 2009, the CEO, COO, and CFO would earn approximately \$221,455, \$189,278, and \$87,500, under their respective MIP arrangement for 2009.

If at the conclusion of any calendar quarter, the MIP compensation prepayment due to the CEO, COO, or CFO is less than the amount prepaid in the previous quarters during 2009 to such individual and the overpayment exceeds \$25,000, the MIP participant will reimburse the Company for the amount of the overpayment through payroll deductions in accordance with the Company's normal payroll practices.

If the MIP participant's employment with the Company is voluntarily or involuntarily terminated prior to a regularly scheduled MIP compensation payment period, no MIP payment will be payable for and after such period. The Compensation Committee retains the right to modify, change or terminate each MIP at any time and for any reason.

The summary of the terms of each MIP set forth above is qualified in its entirety by reference to the terms of such MIPs, which are attached hereto as Exhibits 10.1, 10.2, and 10.3, and incorporated herein by reference.

#### *Employment Agreements*

On May 6, 2009, the Company entered into employment agreements with each of Dr. Louis F. Centofanti (the "CEO Agreement"), Larry McNamara (the "COO Agreement"), and Ben Naccarato (the "CFO Agreement"). Pursuant to the employment agreements, (a) Dr. Centofanti will continue to serve as the Company's Chief Executive Officer and President, with an annual base salary of \$253,094, (b) Mr. McNamara will continue to serve as the Company's Chief Operating Officer, with an annual base salary of \$216,320, and (c) Mr. Naccarato will continue to serve as the Company's Chief Financial Officer, with an annual base salary of \$200,000. In addition, each such executive officer is entitled to participate in the Company's benefits plans and to any performance compensation payable under the respective MIP described above.

Each of the employment agreements is effective for three years, unless earlier terminated by the Company with or without "cause" (as defined in the agreements) or by the executive officer for "good reason" (as defined in the agreements) or any other reason. If the executive officer's employment is terminated due to death, disability or for cause, the Company will pay to the executive officer or to his estate a lump sum equal to the sum of any unpaid base salary through the date of termination and any benefits due to the executive officer under any employee benefit plan, excluding any severance program or policy (the "Accrued Amounts").

If the executive officer terminates his employment for "good reason" (as defined in the agreements) or is terminated without cause, the Company will pay the executive officer a sum equal to the total Accrued Amounts, plus one year of full base salary. If the executive terminates his employment for a reason other than for good reason, the Company will pay to the executive the amount equal to the Accrued Amounts. If there is a Change in Control (to be defined in the employment agreements), all outstanding stock options to purchase common stock held by the executive officer will immediately become exercisable in full. The amounts payable with respect to a termination (other than base salary and amounts otherwise payable under any Company employee benefit plan) are payable only if the termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h)).

The summary of the terms of the CEO Agreement, COO Agreement, and CFO Agreement set forth above is qualified in its entirety by reference to the terms of such employment agreement, which are attached hereto as Exhibits 10.4, 10.5, and 10.6, respectively, and incorporated herein by reference.

## **Section 9 – Financial Statements and Exhibits**

### **Item 9.01 – Financial Statements and Exhibits**

#### **(d) Exhibits**

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
10.1	2009 Incentive Compensation Plan for Chief Executive Officer, effective January 1, 2009.
10.2	2009 Incentive Compensation Plan for Chief Operating Officer, effective January 1, 2009
10.3	2009 Incentive Compensation Plan for Vice President, Chief Financial Officer, effective January 1, 2009
10.4	Employment Agreement dated May 6, 2009 between Louis Centofanti, Chief Executive Officer, and Perma-Fix Environmental Services, Inc.
10.5	Employment Agreement dated May 6, 2009 between Larry McNamara, Chief Operating Officer, and Perma-Fix Environmental Services, Inc.
10.6	Employment Agreement dated May 6, 2009 between Ben Naccarato, Chief Financial Officer, and Perma-Fix Environmental Services, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 7, 2009

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By: /s/ Ben Naccarato

Ben Naccarato

Vice President and

Chief Financial Officer



CHAIRMAN, CHIEF EXECUTIVE OFFICER AND PRESIDENT

Effective: January 1, 2009

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## CHAIRMAN, CHIEF EXECUTIVE OFFICER AND PRESIDENT

**PURPOSE:** To define the compensation plan for the Chairman, Chief Executive Officer and President.

**SCOPE:** Perma-Fix Environmental Services, Inc.

**POLICY:** The Compensation Plan is designed to retain, motivate and reward the incumbent to support and achieve the business, operating and financial objectives of Perma-Fix Environmental Services, Inc. (the “Company”).

**BASE SALARY:** The Base Salary indicated below is paid in equal periodic installments per the regularly scheduled payroll.

**PERFORMANCE INCENTIVE COMPENSATION:** Performance Incentive Compensation is available based on the Company’s financial results noted in Schedule A. Performance Incentive Compensation in the nature of prepayments are payable in the month following each calendar year quarter in a lump sum. Annual performance incentive pay is payable in the month following the close of the Company’s financial books, but in any event no later than March 15, 2010. If the financial books are not closed as of March 15, the annual performance incentive pay will be based on a good faith estimate of the Company’s financial results for the applicable year.

**SEPARATION:** Upon voluntary or involuntary separation from the Company the employee will be paid the base salary due to the last day of employment. If employment is separated prior to a regularly scheduled quarterly or annual incentive compensation payment period as noted above, no incentive compensation is due to the incumbent.

**ACKNOWLEDGEMENT:** Payment of Performance Incentive Compensation of any type will be forfeited, unless the Human Resources Department has received a signed acknowledgement of receipt of the Compensation Plan prior to the applicable payment date.

**INTERPRETATIONS:** The Compensation and Stock Option Committee (the “Compensation Committee”) of the Board of Directors retains the right to modify, change or terminate the Compensation Plan at any time and for any reason. It also reserves the right to determine the final interpretation of any provision contained in the Compensation Plan and it reserves the right to modify or change the Revenue and Net Income Targets as defined herein in the event of the sale or disposition of any of the assets of the Company. While the plan is intended to represent all situations and circumstances some issues may not easily be addressed. The Compensation Committee will endeavor to review all standard and non-standard issues related to the Compensation Plan and will provide quick interpretations that are in the best interest of the Company, its shareholders and the incumbent.

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## CHAIRMAN, CHIEF EXECUTIVE OFFICER AND PRESIDENT

### Base Pay and Performance Incentive Compensation Targets

The compensation for the below named individual as follows:

Annualized Base Pay:	\$ 253,094
Performance Incentive Compensation Target (at 100% of Plan):	\$ 126,547
Total Annual Target Compensation (at 100% of Plan):	\$ 379,641

The Performance Incentive Compensation Target is based on the schedule below.

		Performance Target Thresholds (Actual versus Plan)						
		85%	101%	121%	131%	141%	151%	161%
		-	-	-	-	-	-	161%
		100%	120%	130%	140%	150%	160%	Plus
<b>Target Objectives</b>		Performance Target Thresholds						
	Weights	85-100%	101-120%	121-130%	131-140%	141-150%	151-160%	161%+
Revenue	15%	18,982	22,778	24,680	26,653	28,472	30,371	33,218
Net Income	55%	69,601	83,521	90,484	97,446	104,400	111,361	121,801
Health & Safety	15%	18,982	22,778	24,680	26,653	28,472	30,371	33,218
Permit & License Violations	15%	18,982	22,778	24,680	26,653	28,472	30,371	33,218
Unbilled Receivables	<i>* If criteria (Item #5) for reducing unbilled AR are not met bonus will be reduced by 15%.</i>							
Potential Maximum	100%	126,547	151,856	164,524	177,404	189,816	202,475	221,455

- Revenue is defined as the total consolidated third party top line revenue as publicly reported in the Company's financial statements. The percentage achieved is determined by comparing the actual consolidated revenue to the Board approved budgeted revenue. The Board reserves the right to modify or change the Revenue Targets as defined herein in the event of the sale or disposition of any of the assets of the Company or in the event of an acquisition.
- Net Income is defined as the total consolidated bottom line net income applicable to Common Stock as publicly reported in the Company's financial statements. The net income will include all subsidiaries, corporate charges, dividends and discounted operations. The percentage achieved is determined by comparing the actual net income to the Board approved budgeted net income. The Board reserves the right to make adjustments to net income so as not to penalize the employee for actions in the current year which will contribute to net income in future years and it reserves the right to modify or change the Net Income Targets as defined herein in the event of the sale or disposition of any of the assets of the Company or in the event of an acquisition. The Board further reserves the right to adjust net income to reflect charges resulting from the vesting of incentive stock options.
- The Health and Safety Incentive target is based upon the actual number of Worker's Compensation Lost Time Accidents, as provided by the Company's Worker's Compensation carrier. The Corporate Treasurer will submit a report on a quarterly basis documenting and confirming the number of Worker's Compensation Lost Time Accidents, supported by the AIG Worker's Compensation Loss Report. Such claims will be identified on the loss report as "indemnity claims." The following number of Worker's Compensation Lost Time Accidents and corresponding Performance Target Thresholds has been established for the annual Incentive Compensation Plan calculation for 2009.

Work Comp. Claim Number	Performance Target
7	85% - 100%
6	101% - 120%
5	121% - 130%
4	131% - 140%
3	141% - 150%
2	151% - 160%
1	161% Plus

- 4) Permits or License Violations incentive is earned/determined according to the scale set forth below: An “official notice of non-compliance” is defined as an official communication from a local, state, or federal regulatory authority alleging one or more violations of an otherwise applicable Environmental, Health or Safety requirement or permit provision, which results in a facility’s implementation of corrective action(s).

Permit and License Violations	Performance Target
7	85% - 100%
6	101% - 120%
5	121% - 130%
4	131% - 140%
3	141% - 150%
2	151% - 160%
1	161% Plus

- 5) Unbilled trade receivables is the amount of unbilled reported per 10Q or 10K combining both the long term and current portion of unbilled. **Unbilled trade receivable balances older than 12/31/06 should be reduced by \$4 million from \$5,109,963 as of 12/31/08 to \$1,109,963 by 12/31/09.**
- 6) No performance incentive compensation will be payable for achieving the health and safety and permit and license violation targets unless a minimum of 70% of the net income target is achieved.
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### Performance Incentive Compensation Prepayments

Performance incentive compensation will be prepaid each calendar to be applied against the annual performance incentive compensation when payable. This prepayment will be calculated as follows:

First Quarter – a prepayment of the performance incentive compensation will be earned and payable by a comparison of the Board approved budget for the first quarter to the actual result for the first quarter. With regard to the Health and Safety and the Permit and License Violations incentive, the number of claims or violations for the performance target shall be one quarter of the annual number. The prepayment will be 15% of the performance incentive compensation which will be earned for the full year if this percentage achievement of the targets is maintained for the full year.

Second Quarter – a prepayment of the performance incentive compensation will be earned and payable by a comparison of the Board approved budget for the first and second quarters to the actual result for the first and second quarters. With regard to the Health and Safety and the Permit and License Violations incentive, the number of claims or violations for the performance target shall be two quarters of the annual number. The prepayment will be 30% of the performance incentive compensation which will be earned for the full year if this percentage achievement of the targets is maintained for the full year less the amount of the prepayment paid for the first quarter.

Third Quarter – a prepayment of the performance incentive compensation will be earned and payable by a comparison of the Board approved budget for the first, second and third quarters to the actual result for the first, second and third quarters. With regard to the Health and Safety and the Permit and License Violations incentive, the number of claims or violations for the performance target shall be three quarters of the annual number. The prepayment will be 45% of the performance incentive compensation which will be earned for the full year if this percentage achievement of the targets is maintained for the full year less the amount of the prepayment paid for the first and second quarters.

If at the conclusion of any calendar quarter, the performance incentive compensation prepayment due to an employee is negative as a result of subtracting the prepayments paid in previous quarters and the amount exceeds \$25,000, the company will recover this overpayment by deducting this amount from payroll paid in accordance with the company's normal payroll practices.

### ACKNOWLEDGMENT:

I acknowledge receipt of the aforementioned Chairman, Chief Executive Officer and President 2009 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ Louis Centofanti  
/s/ Dr. Louis Centofanti

5/6/2009  
Date

/s/Mark Zwecker  
/s/Board of Director

5/6/09  
Date

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## CHIEF OPERATING OFFICER

Effective: January 1, 2009

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## CHIEF OPERATING OFFICER

**PURPOSE:** To define the compensation plan for the CHIEF OPERATING OFFICER.

**SCOPE:** Perma-Fix Environmental Services, Inc.

**POLICY:** The Compensation Plan is designed to retain, motivate and reward the incumbent to support and achieve the business, operating and financial objectives of Perma-Fix Environmental Services, Inc. (the “Company”).

**BASE SALARY:** The Base Salary indicated below is paid in equal periodic installments per the regularly scheduled payroll.

**PERFORMANCE INCENTIVE COMPENSATION:** Performance Incentive Compensation is available based on the Company’s financial results noted in Schedule A. Performance Incentive Compensation in the nature of prepayments are payable in the month following each calendar year quarter in a lump sum. Annual performance incentive pay is payable in the month following the close of the Company’s financial books, but in any event no later than March 15, 2010. If the financial books are not closed as of March 15, the annual performance incentive pay will be based on a good faith estimate of the Company’s financial results for the applicable year.

**SEPARATION:** Upon voluntary or involuntary separation from the Company the employee will be paid the base salary due to the last day of employment. If employment is separated prior to a regularly scheduled quarterly or annual incentive compensation payment period as noted above, no incentive compensation is due to the incumbent.

**ACKNOWLEDGEMENT:** Payment of Performance Incentive Compensation of any type will be forfeited, unless the Human Resources Department has received a signed acknowledgement of receipt of the Compensation Plan prior to the applicable payment date.

**INTERPRETATIONS:** The Compensation and Stock Option Committee (the “Compensation Committee”) of the Board of Directors retains the right to modify, change or terminate the Compensation Plan at any time and for any reason. It also reserves the right to determine the final interpretation of any provision contained in the Compensation Plan and it reserves the right to modify or change the Revenue and Net Income Targets as defined herein in the event of the sale or disposition of any of the assets of the Company. While the plan is intended to represent all situations and circumstances some issues may not easily be addressed. The Compensation Committee will endeavor to review all standard and non-standard issues related to the Compensation Plan and will provide quick interpretations that are in the best interest of the Company, its shareholders and the incumbent.

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## CHIEF OPERATING OFFICER

### Base Pay and Performance Incentive Compensation Targets

The compensation for the below named individual as follows:

Annualized Base Pay:	\$ 216,320
Performance Incentive Compensation Target (at 100% of Plan):	<u>\$ 108,160</u>
Total Annual Target Compensation (at 100% of Plan):	<u>\$ 324,480</u>

The Performance Incentive Compensation Target is based on the schedule below.

### Target Objectives

		Performance Target Thresholds						
	Weights	85-100%	101-120%	121-130%	131-140%	141-150%	151-160%	161%+
Revenue	15%	16,224	19,469	21,094	22,780	24,335	25,958	28,392
Net Income	55%	59,488	71,386	77,337	83,287	89,231	95,181	104,104
Health & Safety	15%	16,224	19,469	21,094	22,780	24,335	25,958	28,392
Permit & License Violations	15%	16,224	19,469	21,094	22,780	24,335	25,958	28,392
Unbilled Receivables	* If criteria (Item #5) for reducing unbilled AR are not met bonus will be reduced by 15%.							
		108,160	129,792	140,619	151,627	162,236	173,056	189,278

- 1) Revenue is defined as the total consolidated third party top line revenue as publicly reported in the Company's financial statements. The percentage achieved is determined by comparing the actual consolidated revenue to the Board approved budgeted revenue. The Board reserves the right to modify or change the Revenue Targets as defined herein in the event of the sale or disposition of any of the assets of the Company or in the event of an acquisition.
- 2) Net Income is defined as the total consolidated bottom line net income applicable to Common Stock as publicly reported in the Company's financial statements. The net income will include all subsidiaries, corporate charges, dividends and discounted operations. The percentage achieved is determined by comparing the actual net income to the Board approved budgeted net income. The Board reserves the right to make adjustments to net income so as not to penalize the employee for actions in the current year which will contribute to net income in future years and it reserves the right to modify or change the Net Income Targets as defined herein in the event of the sale or disposition of any of the assets of the Company or in the event of an acquisition. The Board further reserves the right to adjust net income to reflect charges resulting from the vesting of incentive stock options.
- 3) The Health and Safety Incentive target is based upon the actual number of Worker's Compensation Lost Time Accidents, as provided by the Company's Worker's Compensation carrier. The Corporate Treasurer will submit a report on a quarterly basis documenting and confirming the number of Worker's Compensation Lost Time Accidents, supported by the AIG Worker's Compensation Loss Report. Such claims will be identified on the loss report as "indemnity claims." The following number of Worker's Compensation Lost Time Accidents and corresponding Performance Target Thresholds has been established for the annual Incentive Compensation Plan calculation for 2009.

Work Comp. Claim Number	Performance Target
7	85% - 100%
6	101% - 120%
5	121% - 130%
4	131% - 140%
3	141% - 150%
2	151% - 160%
1	161% Plus

- 4) Permits or License Violations incentive is earned/determined according to the scale set forth below: An “official notice of non-compliance” is defined as an official communication from a local, state, or federal regulatory authority alleging one or more violations of an otherwise applicable Environmental, Health or Safety requirement or permit provision, which results in a facility’s implementation of corrective action(s).

Permit and License Violations	Performance Target
7	85% - 100%
6	101% - 120%
5	121% - 130%
4	131% - 140%
3	141% - 150%
2	151% - 160%
1	161% Plus

- 5) Unbilled trade receivables is the amount of unbilled reported per 10Q or 10K combining both the long term and current portion of unbilled. **Unbilled trade receivable balances older than 12/31/06 should be reduced by \$4million from \$5,109,963 as of 12/31/08 to \$1,109,963 by 12/31/09.**
- 6) No performance incentive compensation will be payable for achieving the health and safety and permit and license violation targets unless a minimum of 70% of the net income target is achieved.
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### Performance Incentive Compensation Prepayments

Performance incentive compensation will be prepaid each calendar to be applied against the annual performance incentive compensation when payable. This prepayment will be calculated as follows:

First Quarter – a prepayment of the performance incentive compensation will be earned and payable by a comparison of the Board approved budget for the first quarter to the actual result for the first quarter. With regard to the Health and Safety and the Permit and License Violations incentive, the number of claims or violations for the performance target shall be one quarter of the annual number. The prepayment will be 15% of the performance incentive compensation which will be earned for the full year if this percentage achievement of the targets is maintained for the full year.

Second Quarter – a prepayment of the performance incentive compensation will be earned and payable by a comparison of the Board approved budget for the first and second quarters to the actual result for the first and second quarters. With regard to the Health and Safety and the Permit and License Violations incentive, the number of claims or violations for the performance target shall be two quarters of the annual number. The prepayment will be 30% of the performance incentive compensation which will be earned for the full year if this percentage achievement of the targets is maintained for the full year less the amount of the prepayment paid for the first quarter.

Third Quarter – a prepayment of the performance incentive compensation will be earned and payable by a comparison of the Board approved budget for the first, second and third quarters to the actual result for the first, second and third quarters. With regard to the Health and Safety and the Permit and License Violations incentive, the number of claims or violations for the performance target shall be three quarters of the annual number. The prepayment will be 45% of the performance incentive compensation which will be earned for the full year if this percentage achievement of the targets is maintained for the full year less the amount of the prepayment paid for the first and second quarters.

If at the conclusion of any calendar quarter, the performance incentive compensation prepayment due to an employee is negative as a result of subtracting the prepayments paid in previous quarters and the amount exceeds \$25,000, the company will recover this overpayment by deducting this amount from payroll paid in accordance with the company's normal payroll practices.

### ACKNOWLEDGMENT:

I acknowledge receipt of the aforementioned Chief Operating Officer 2009 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/Larry McNamara  
/s/ Larry McNamara

5/6/2009  
Date

/s/Lou Centofanti  
/s/ Board of Directors

5/6/2009  
Date

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VICE PRESIDENT, CHIEF FINANCIAL OFFICER

Effective: January 1, 2009

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## VICE PRESIDENT, CHIEF FINANCIAL OFFICER

**PURPOSE:** To define the compensation plan for the Vice President, Chief Financial Officer.

**SCOPE:** Perma-Fix Environmental Services, Inc.

**POLICY:** The Vice President, Chief Financial Officer Compensation Plan is designed to retain, motivate and reward the incumbent to support and achieve the business, operating and financial objectives of Perma-Fix Environmental Services, Inc. (the “Company”).

**BASE SALARY:** The Base Salary indicated below is paid in equal periodic installments per the regularly scheduled payroll.

**PERFORMANCE INCENTIVE COMPENSATION:** Performance Incentive Compensation is available based on the Company’s financial results noted in Schedule A. Performance Incentive Compensation in the nature of prepayments are payable in the month following each calendar year quarter in a lump sum. Annual performance incentive pay is payable in the month following the close of the Company’s financial books, but in any event no later than March 15, 2010. If the financial books are not closed as of March 15, the annual performance incentive pay will be based on a good faith estimate of the Company’s financial results for the applicable year.

**SEPARATION:** Upon voluntary or involuntary separation from the Company the employee will be paid the base salary due to the last day of employment. If employment is separated prior to a regularly scheduled quarterly or annual incentive compensation payment period as noted above, no incentive compensation is due to the incumbent.

**ACKNOWLEDGEMENT:** Payment of Performance Incentive Compensation of any type will be forfeited, unless the Human Resources Department has received a signed acknowledgement of receipt of the Compensation Plan prior to the applicable payment date.

**INTERPRETATIONS:** The Compensation and Stock Option Committee (the “Compensation Committee”) of the Board of Directors retains the right to modify, change or terminate the Compensation Plan at any time and for any reason. It also reserves the right to determine the final interpretation of any provision contained in the Compensation Plan and it reserves the right to modify or change the Revenue and Net Income Targets as defined herein in the event of the sale or disposition of any of the assets of the Company. While the plan is intended to represent all situations and circumstances some issues may not easily be addressed. The Compensation Committee will endeavor to review all standard and non-standard issues related to the Compensation Plan and will provide quick interpretations that are in the best interest of the Company, its shareholders and the incumbent.

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## VICE PRESIDENT, CHIEF FINANCIAL OFFICER

### Base Pay and Performance Incentive Compensation Targets

The compensation for the below named individual as follows:

Annualized Base Pay:	\$ 200,000
Performance Incentive Compensation Target (at 100% of Plan):	50,000
Total Annual Target Compensation (at 100% of Plan):	\$ 250,000

The Performance Incentive Compensation Target is based on the schedule below.

### Target Objectives

	Weights	Performance Target Thresholds						
		100% or less	98%-99%	96-97%	94-95%	92-93%	90-91%	88-89%
Administrative Expenses	15%	7,500	9,000	9,751	10,531	11,250	12,000	13,125
	Weights	85-100%	101-120%	121-130%	131-140%	141-150%	151-160%	161%+
Net Income	25%	12,500	15,000	16,252	17,551	18,749	20,000	21,875
Accounting	10%	5,000	6,000	6,501	7,021	7,500	8,000	8,750
Accounts Receivable	10%	5,000	6,000	6,501	7,021	7,500	8,000	8,750
SOX Compliance	10%	5,000	6,000	6,501	7,021	7,500	8,000	8,750
Centralization & IT Objectives	30%	15,000	18,000	19,503	21,062	22,499	24,000	26,250
Unbilled Receivables	<i>* If criteria (Item #6) for reducing unbilled AR are not met bonus will be reduced by 15%.</i>							
		50,000	60,000	65,009	70,205	74,997	80,000	87,500

- Administrative Expense is defined as the total consolidated administrative expenses applicable as publicly reported in the Company's financial statements. Administrative expenses will be inclusive of all subsidiaries, and will exclude Marketing Expenses and Interest Expense. The Board reserves the right to make adjustments to administrative expenses so as not to penalize the employee for material unforeseen events outside of the employees responsibility and it reserves the right to modify or change the Administrative Expense Targets as defined herein in the event of the sale or disposition of any of the assets of the Company or in the event of an acquisition. The Board further reserves the right to adjust Administrative Expenses to reflect charges resulting from the vesting of incentive stock options.
- Net Income is defined as the total consolidated bottom line net income applicable to Common Stock as publicly reported in the Company's financial statements. The net income will include all subsidiaries, corporate charges, dividends and discounted operations. The percentage achieved is determined by comparing the actual net income to the Board approved budgeted net income. The Board reserves the right to make adjustments to net income so as not to penalize the employee for actions in the current year which will contribute to net income in future years and it reserves the right to modify or change the Net Income Targets as defined herein in the event of the sale or disposition of any of the assets of the Company or in the event of an acquisition. The Board further reserves the right to adjust net income to reflect charges resulting from the vesting of incentive stock options.

- 3) Accounting objective should focus on meeting filing deadlines such as 10K, 10Q, 8K and press releases with complete and accurate information.

SEC Filings	Performance Target
10K – filed timely or	3%
10K – extension	1.5%
1 <sup>st</sup> quarter 10Q – filed timely or	2%
1 <sup>st</sup> quarter 10Q – extension	1%
2nd quarter 10Q – filed timely or	2%
2nd quarter 10Q – extension	1%
3 <sup>rd</sup> quarter 10Q – filed timely or	2%
3 <sup>rd</sup> quarter 10Q - extension	1%
All 8K's Filed	1%
Total Achievable	10%

- 4) Accounting Receivable objective should focus on achieving certain AR targets.

Accounts Receivable	Performance Target
25% or less of AR > than 60 days	5.0%
30% or less of AR > than 60 days	2.5%
9% or less of AR > than 120 days	5.0%
10% or less of AR > than 120 days	2.5%
Total Achievable	10.0%

Accounts Receivable will be defined as outstanding accounts receivable, per companies AR sub-ledger, collectable within the control of the financial and operational staff.

Adjustments for this figure will include but not be limited to:

- Accounts fully reserved when calculating Bad Debt Allowance;
  - Accounts that are in litigation; and
  - Accounts not receivable due to a legitimate operational delay. Note this will only be excluded if invoicing was appropriate despite the operational delay.
- 4) The SOX Incentive target is based maintaining good internal controls and minimizing material weaknesses similar to “Permit and License” violations on COO and CEO Plan.

SOX Deficiencies	Performance Target
0	10%
1	9%
2	8%
3	5%
4	2%

> 4

0%



- 5) Accounting Centralization Objective - \_ Completion of the following milestones related to the planned centralization of the accounting function to the Corporate office. Completion of each objective earns 3% with a maximum target achievable of 15%.

Accounting Centralization Objectives	Performance Target
Continue to centralize the accounting function at DSSI, M&EC, PFF, PFFL and PFO	3.0%
Payroll consolidation is in process and will take affect beginning in January 2009.	3.0%
We will reduce the number of bank accounts effective January 1 <sup>st</sup> 2009 to one bank account and one lockbox.	3.0%
A transition to centralized accounts payable will be implemented in the 1 <sup>st</sup> quarter of 2009. All checks will be written and issued from corporate office.	3.0%
A P.O. system (that communicates with our Solomon software) will be implemented in the first and second quarter of 2009.	3.0%
The multi-company module of Solomon software will be implemented in first quarter of 2009 to simplify accounting of many facilities from a centralized location.	3.0%

IT Objectives - Completion of the following milestones related to the planned centralization of the accounting function to the Corporate office. Completion of each objective earns 3% with a maximum target achievable of 15%.

IT Objectives	Performance Target
Mixed Waste Tracking at PFNW	3.0%
Accounting upgrades	3.0%
System Security	3.0%
System integration plan for the Southeast	3.0%
IT oversight / corporate governance	3.0%
Tele-Com Consolidation	3.0%

- 6) Unbilled trade receivables is the amount of unbilled reported per 10Q or 10K combining both the long term and current portion of unbilled. **Unbilled trade receivable balances older than 12/31/06 should be reduced by \$4 million from \$5,109,963 as of 12/31/08 to \$1,109,963 by 12/31/09.**



## Performance Incentive Compensation Prepayments

Performance incentive compensation will be prepaid each calendar to be applied against the annual performance incentive compensation when payable. This prepayment will be calculated as follows:

First Quarter – a prepayment of the performance incentive compensation will be earned and payable by a comparison of the Board approved budget for the first quarter to the actual result for the first quarter. With regard to the accounting incentives, the total achievable performance target will be adjusted for the first quarter target when calculating quarterly payment. For the AR incentive, the performance target will be calculated by using the total achievable note updated for the 1<sup>st</sup> quarter results. For the SOX incentives the rate used will be the prior year deficiencies until year-end when the final updated rate will be determined. For the Centralization and IT Incentives, compensation will be calculated based on achievement of each individual objective. The prepayment will be 15% of the performance incentive compensation which will be earned for the full year if this percentage achievement of the targets is maintained for the full year.

Second Quarter – a prepayment of the performance incentive compensation will be earned and payable by a comparison of the Board approved budget for the first and second quarters to the actual result for the first and second quarters. With regard to the accounting incentives, the total achievable performance target will be adjusted for the first quarter target when calculating quarterly payment. For the AR incentive, the performance target will be calculated by using the total achievable note updated for the 1<sup>st</sup> quarter results. For the SOX incentives the rate used will be the prior year deficiencies until year-end when the final updated rate will be determined. For the Centralization and IT Incentives, compensation will be calculated based on achievement of each individual objective. The prepayment will be 30% of the performance incentive compensation which will be earned for the full year if this percentage achievement of the targets is maintained for the full year less the amount of the prepayment paid for the first quarter.

Third Quarter – a prepayment of the performance incentive compensation will be earned and payable by a comparison of the Board approved budget for the first, second and third quarters to the actual result for the first, second and third quarters. With regard to the accounting incentives, the total achievable performance target will be adjusted for the first quarter target when calculating quarterly payment. For the AR incentive, the performance target will be calculated by using the total achievable note updated for the 1<sup>st</sup> quarter results. For the SOX incentives the rate used will be the prior year deficiencies until year-end when the final updated rate will be determined. For the Centralization and IT Incentives, compensation will be calculated based on achievement of each individual objective. The prepayment will be 45% of the performance incentive compensation which will be earned for the full year if this percentage achievement of the targets is maintained for the full year less the amount of the prepayment paid for the first and second quarters.

If at the conclusion of any calendar quarter, the performance incentive compensation prepayment due to an employee is negative as a result of subtracting the prepayments paid in previous quarters and the amount exceeds \$25,000, the company will recover this overpayment by deducting this amount from payroll paid in accordance with the company's normal payroll practices.

### ACKNOWLEDGMENT:

I acknowledge receipt of the aforementioned Vice President, Chief Financial Officer 2009 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/Ben Naccarato  
/s/Ben Naccarato

5/6/09  
Date

/s/Lou Centofanti  
/s/ Board of Director

5/6/09  
Date

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## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 6th day of May, 2009, by and between PERMA-FIX ENVIRONMENTAL SERVICES, INC., a Delaware corporation (the "Company"), and Louis Centofanti (the "Executive").

### WITNESSETH:

WHEREAS, the Company believes that the services, knowledge, and contributions of the Executive to the Company are of critical importance to the Company;

WHEREAS, the Company wishes to ensure that the Executive will continue to provide his services, knowledge and contributions to the Company; and

WHEREAS, the Executive is currently a "specified employee" as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder (collectively, "Section 409A");

WHEREAS, the Company and the Executive have previously entered into, or may from time to time enter into a separate arrangement, to provide certain management incentive compensation bonuses to the Executive based on the Company's performance during a particular year or other period or periods (an "Incentive Plan").

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations, and warranties set forth in this Agreement, the Company and the Executive agree as follows:

1. Term. Unless sooner terminated pursuant to the terms hereof, the term of this Agreement shall commence on the date hereof and terminate three (3) years from the date hereof, subject to extension by mutual agreement of the parties hereto (the "Term").
  2. Position and Duties.
    - 2.1. Position. The Company agrees to employ the Executive, and the Executive agrees to such employment, as Chief Executive Officer and President of the Company, or such other position as the Executive and the Company indicate in writing as being acceptable to them. The Executive's authority and duties, including, but not limited to, hierarchical standing in the Company and reporting requirements within the Company, shall be substantial similar in all material respects with the most significant of those exercised by the Executive during the 90 day period immediately preceding the date of this Agreement, except as otherwise agreed to in writing executed by both the Executive and the Company.
    - 2.2. Location. The Executive's duties and services shall be performed in Atlanta, Georgia, or any other office location satisfactory to the Board of Directors, except for travel responsibilities required in the performance of the Executive's duties.
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- 2.3. Duties. Excluding any periods of vacation and sick leave to which the Executive is entitled, and except as otherwise provided in Section 2.4 below, the Executive agrees to faithfully perform the duties of his office, and to devote his full attention and time to the business and affairs of the Company, to the extent consistent with this Section 2.
- 2.4. Other Activities. It shall not be a violation of this Agreement for the Executive to (i) serve on corporate, civic or charitable boards or committees, (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (iii) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement.

3. Compensation and Benefits.

- 3.1. Annual Base Salary. The Compensation and Stock Option Committee of the Board of Directors of the Company (the "Compensation Committee") has set the annual base salary of the Executive at \$253,094 Dollars per year ("Base Salary"), which Base Salary is payable by the Company to the Executive in equal bi-weekly installments, less appropriate withholdings and deductions in accordance with the Company's customary payroll practices, with the amount of the Base Salary payable each year subject to adjustment as provided in Section 3.3 below.
- 3.2. Adjustment to Base Salary. The Base Salary may be increased, but not be reduced, from time to time as determined by and in the sole discretion of the Compensation Committee.
- 3.3. Incentive Compensation Bonus. In addition to the Base Salary, each year during the Term the Company will pay to the Executive the incentive compensation bonus, if any, that is payable pursuant to any Incentive Plan in effect for such year that may be adopted by the Board of Directors of the Company or the Compensation Committee and agreed to by the Executive with respect to the particular fiscal year of the Company, (an "Incentive Bonus") in accordance with and pursuant to the terms of the Incentive Plan. The Incentive Bonus, if any, may be modified, changed or terminated at anytime or for any reason by the Compensation Committee in its sole discretion in accordance with the terms of the particular Incentive Plan.
- 3.4. Benefits. During the Term, the Executive shall be entitled to participate in all employee benefit plans that are generally made available to other employees of the Company, subject to the terms and conditions of such benefits and plans and, as such benefits and plans may be changed by the Company from time to time. Such benefits include, but not limited to, (i) group medical insurance coverage, (ii) group life insurance coverage and (iii) certain stock option plans.

- 3.5. Expenses. During the Term, the Company shall pay directly, or reimburse the Executive, for any reasonable and necessary expenses and costs incurred by the Executive in connection with, or arising out of, the performance of the Executive's duties hereunder, provided that such expenses and costs shall be paid or reimbursed subject to such rules, regulations, and policies of the Company as established from time to time by the Company. In event the Executive incurs legal fees and expenses to enforce this Agreement, the Company shall reimburse the Executive such reasonable fees in full.
- 3.6. Fringe Benefits. During the Term, the Executive shall be entitled to all fringe benefits including, but not limited to, vacation in accordance with the most favorable plans, practices, programs and policies of the Company during 12- month period immediately preceding the date of this Agreement, or, if more favorable to the Executive, as in effect at any time thereafter with respect to other employees of the Company.

4. Termination.

- 4.1. Termination by the Company as a Result of Death or Disability; Termination by the Company for Cause. At any time during the Term, the Executive's employment with the Company may be terminated for the following reasons:
- 4.1.1 Death. The Executive's employment with the Company shall terminate automatically upon the Executive's death.
- 4.1.2 Disability.
- 4.1.2.1 Definition. "Disability" of the Executive is defined for the purposes of this Agreement as the Executive being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- 4.1.2.2 Application. The Company may terminate the Executive's employment with the Company after establishing the Executive's Disability as set forth in this Section 4.1.2, and giving written notice of its intention to terminate the Executive's employment with the Company ("Disability Termination Notice"). In such a case, the Executive's employment with the Company shall terminate effective on the earlier of the otherwise scheduled expiration of the Term pursuant to Section 1 or on the thirtieth (30<sup>th</sup>) day after receipt of the Disability Termination Notice, provided that the Executive has not resumed full-time performance of his duties under this Agreement.

- 4.1.3 Cause. Subject to the requirements of Sections 4.1.4 and 5 hereof, the Company may terminate the Executive's employment with the Company at any time for "Cause". For the purposes of this Agreement, "Cause" is defined as (i) the ultimate conviction (after all appeals have been decided) of the Executive by a court of competent jurisdiction of, or a plea of nolo contendere or a plea of guilty by the Executive to, a felony involving moral turpitude; or (ii) willful or gross misconduct or gross neglect of duties by the Executive, which is injurious to the Company, provided that, (a) no action or failure to act by the Executive will constitute a reason for termination if the Executive believed in good faith that such action or failure to act was in the Company's best interests, and (b) failure of the Executive to perform his duties hereunder due to a Disability shall not be considered gross misconduct or willful, gross neglect of duties for any purpose; or (iii) the commission by the Executive of an act of fraud or embezzlement against the Company or a subsidiary of the Company; or (iv) Executive's willful breach of any material provision of this Agreement, provided however, that failure of the Executive to perform his duties hereunder due to Disability shall not be considered as a willful breach of this Agreement. For the purposes of this Section 4.1.3, no act or failure to act shall be considered "willful" unless done or omitted to be done by the Executive in bad faith and without reasonable belief that Executive's action or omission was in the best interest of the Company.
- 4.1.4 Upon Executive's separation from service as a result of the termination of Executive's employment by the Company (i) due to the Executive's Death or Disability or (ii) by the Company for Cause, the Company shall pay to the Executive (or in the case of Executive's Death, Executive's estate and/or beneficiary), in a single lump sum payment, in current funds, on the date of such termination of employment, the following:
- 4.1.4.1 any earned but unpaid Base Salary through the date of termination;
  - 4.1.4.2 any amounts payable pursuant to the terms of an Incentive Plan solely as a result of such separation from service; and
  - 4.1.4.3 any benefits due to the Executive under any employee benefit plan of the Company and any payments due the Executive under the terms of any Company program, arrangement or agreement, excluding any severance program or policy (the amounts set forth in Sections 4.1.4.1, 4.1.4.2 and 4.1.4.3 are collectively referred to as the "Accrued Amounts").

4.2. Termination by the Company without Cause or Termination by the Executive for Good Reason.

4.2.1 Subject to requirements of this Section 4.2.1 and Section 5 hereof, the Company may terminate the Executive's employment at any time during the Term without Cause and the Executive may terminate his employment with the Company at any time during the Term for Good Reason. For the purposes of this Agreement, "Good Reason" is defined as (i) the assignment to the Executive of any duties inconsistent with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities that he has had during the 90 day period immediately preceding the date of this Agreement; or (ii) any other action by the Company which results in a reduction in the compensation payable to the Executive, or the position, authority, duties, other responsibilities, other than insubstantial and inadvertent action which is promptly remedied by the Company after receipt of notice thereof from the Executive; or (iii) the Company's requiring the Executive to be based at an office or location other than that which the Executive is based at on the date of this Agreement, except for travel responsibility required in the performance of the Executive's responsibilities; or (iv) any purported termination by the Company of the Executive's employment with the Company otherwise than as permitted by this Agreement, it being understood that any such purported termination shall not be effective for any purpose of this Agreement; or (v) the Company's breach of any material provision of this Agreement, except that an insubstantial or inadvertent breach by the Company which is promptly remedied by the Company after receipt of notice thereof by the Executive shall not be considered a material breach.

Upon Executive's separation from service at any time prior to the expiration of the Term as a result of the Company terminating the Executive's employment other than for Cause, or the Executive terminating his employment with the Company for Good Reason, notwithstanding anything in this Agreement to the contrary, the Company shall pay to the Executive, in a single lump sum payment, in current funds, on the date of such separation from service a sum equal to the total of (i) the Accrued Amounts and (ii) an amount equal to one year's Base Salary (based on the Base Salary being paid to the Executive at the time of such separation from service).

4.3. Termination by the Executive for Any Reasons Other Than Good Reason. The Executive may terminate his employment with the Company at any time during the Term. Upon Executive's separation from service as a result of the Executive terminating his employment with the Company for any reason other than for Good Reason during the Term, the Company shall pay to the Executive in a single lump sum payment on the date of such separation from service an amount equal to the Accrued Amounts.

5. Notice of Termination.

5.1. By Company. The Company shall not be deemed to have terminated this Agreement pursuant to the terms of Sections 4.1.3 and 4.2.1 hereof, unless and until there shall have been delivered to the Executive a copy of a resolution ("Notice of Termination for Cause") duly adopted by the affirmative vote of the Board of Directors of the Company at a meeting of the Board called and held for such purpose (after reasonable notice to the Executive and an opportunity for the Executive, together, with the Executive's counsel, to be heard before the Board), finding that in the good faith opinion of the Board, the Executive should be terminated pursuant to Section 4.1.3 and 4.2, and specifying the particulars thereof in detail.

- 5.2. By Executive. The Executive shall not be deemed to have terminated this Agreement pursuant to the terms of Section 4.2 hereof, unless and until there shall have been delivered by the Executive to the Company a “Notice of Termination for Good Reason” which shall state the specific termination provision relied upon, and specifying the particulars thereof in detail.

6. Stock Options. If during the Term there is a Change in Control, then all of the outstanding stock options to purchase Company common stock granted to, and held by, the Executive shall immediately become vested and exercisable in full notwithstanding the vesting or exercise provisions of the stock options or the stock option plans. For the purposes of this Agreement, a “Change in Control” shall mean any of the following:

- (a) A transaction in which any person, entity, corporation, or group (as such terms are defined in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (other than the Company, or a profit sharing, employee ownership or other employee benefit plan sponsored by the Company or any subsidiary of the Company): (i) will purchase any of the Company’s voting securities (or securities convertible into such voting securities) for cash, securities or other consideration pursuant to a tender offer, or (ii) will become the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act, directly or indirectly (in one transaction or a series of transactions), of securities of the Company representing 50% or more of the total voting power of the then outstanding securities of the Company ordinarily having the right to vote in the election of directors; or
- (b) A change, without the approval of at least two-thirds of the Board of Directors then in office, of a majority of the Company’s Board of Directors; or
- (c) the Company’s execution of an agreement for the sale of all or substantially all of the Company’s assets to a purchaser which is not a subsidiary of the Company; or
- (d) the Company’s adoption of a plan of dissolution or liquidation; or
- (e) the Company’s closure of the Company’s facility where the Executive works; or
- (f) the Company’s execution of an agreement for a merger or consolidation or other business combination involving the Company in which the Company is not the surviving corporation, or, if immediately following such merger or consolidation or other business combination, less than fifty percent (50%) of the surviving corporation’s outstanding voting stock is held by persons who are stockholders of the Company immediately prior to such merger or consolidation or other business combination; or



- (g) such event that is of a nature that is required to be reported in response to Item 5.01 of Form 8-K, as in effect on the date hereof, pursuant to Section 13 or 15(d) of the Exchange Act.

7. Confidentiality of Trade Secrets and Business Information. The Executive agrees that he will not, at any time during Executive's employment with the Company or thereafter, disclose or use any trade secret, proprietary or confidential information of the Company or any subsidiary of the Company (collectively, "Confidential Information"), obtained during the course of such employment, except for disclosures and uses required in the course of such employment with the Company or with the written permission of the Company or, as applicable, any subsidiary of the Company, or as may be required by law, or such information that has become part of the public domain through no effort or act on the part of the Executive prior to such disclosure or use by the Executive; provided that, if Executive receives notice that any party will seek to compel him by process of law to disclose any Confidential Information, Executive shall promptly notify the Company and cooperate with the Company in seeking a protective order against such disclosure.

8. Return of Information. Executive agrees that at the time of any termination of Executive's employment with the Company, whether at the instance of Executive or the Company, and regardless of the reasons therefore, Executive will deliver to the Company, and not keep or deliver to anyone else, any and all notes, files, memoranda, papers and, in general, any and all physical (including electronic) matter containing Confidential Information and other information relating to the business of the Company or any subsidiary or affiliate of the Company which are in Executive's possession, except as otherwise consented in writing by the Company at the time of such termination. The foregoing shall not prevent Executive from retaining copies of personal diaries, personal notes, personal address books, personal calendars, and any other personal information (including, without limitation, information relating to Executive's compensation), but only to the extent such copies do not contain any Confidential Information.

9. Noninterference. During Executive's employment with the Company and for a period of two (2) years following the Executive's termination of employment with the Company, Executive agrees not to directly or indirectly recruit, solicit or induce, any employees, consultants or independent contractors of the Company, any entity in which the Company has made a significant investment, or any subsidiary of the Company (each, a "Restricted Entity") to terminate, alter or modify their employment or other relationship with the Company or any Restricted Entity. During Executive's employment with the Company and for a period of two (2) years following any termination thereof, Executive agrees not to directly or indirectly solicit any customer or business partner of the Company or any Restricted Entity to terminate, alter or modify its relationship with the Company or the Restricted Entity or to interfere with the Company's or any Restricted Entity's relationships with any of its customers or business partners on behalf of any enterprise that directly or indirectly competes with the Company or the Restricted Entity.

10. Enforcement. Executive acknowledges and agrees that: (i) the purpose of the covenants set forth in Sections 7 through 9 above is to protect the goodwill, trade secrets and other Confidential Information of the Company; (ii) because of the nature of the business in which the Company is engaged and because of the nature of the Confidential Information to which Executive has access, it would be impractical and excessively difficult to determine the actual damages of the Company in the event Executive breached any such covenants; and (iii) remedies at law (such as monetary damages) for any breach of Executive's obligations under Sections 7 through 9 would be inadequate. Executive therefore agrees and consents that if Executive commits any breach of a covenant under Sections 7 through 9, the Company shall have the right (in addition to, and not in lieu of, any other right or remedy that may be available to it) to temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without the necessity of proof of actual damage and the Executive shall pay to the Company or reimburse the Company for any and all expenses and reasonable attorneys' fees incurred by the Company as a result of such breach. If any portion of Sections 7 through 9 is hereafter determined to be invalid or unenforceable in any respect, such determination shall not affect the remainder thereof, which shall be given the maximum effect possible and shall be fully enforced, without regard to the invalid portions. If any of the covenants of Sections 7 through 9 are determined to be wholly or partially unenforceable in any jurisdiction, such determination shall not be a bar to or in any way diminish the Company's right to enforce any such covenant in any other jurisdiction.

11. Indemnification. The Company shall indemnify Executive and hold him harmless against any and all losses, liabilities, damages, expenses (including reasonable attorneys' fees) judgments, fines and amounts paid in settlement incurred by or assessed against Executive in connection with any claim, action, suit or proceeding (whether civil, criminal, administrative or investigative), including any action by or in the right of the Company, by reason of any act or omission to act in connection with the performance of his duties hereunder to the fullest extent that the Company is permitted to indemnify a director, officer or employee against the foregoing under applicable law.

12. Executive's Representations. Executive acknowledges that before signing this Agreement, Executive was given the opportunity to read it, evaluate it and discuss it with Executive's personal advisors. Executive further acknowledges that the Company has not provided Executive with any legal advice regarding this Agreement.

13. Section 409A.

13.1. 6-Month Delay. If any amounts that become due under this Agreement constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code, payment of such amounts shall not commence until the Executive incurs a "separation from service." Notwithstanding anything herein to the contrary, if the Executive is a "specified employee," for purposes of Section 409A of the Code, on the date on which he incurs a separation from service, any payment hereunder that provides for the "deferral of compensation" within the meaning of Section 409A of the Code shall not be paid prior to the first business day after the date that is six months following the Executive's "separation from service;" provided, however, that a payment delayed pursuant to the preceding clause shall commence earlier in the event of the Executive's death prior to the end of the six-month period. Within 10 business days after the end of such six months, the Executive shall be paid a lump sum payment in cash equal to any payments delayed because of the preceding sentence. Thereafter, the Executive shall receive any remaining benefits as if there had not been an earlier delay.

- 13.2. Certain Definitions. For purposes of this Agreement, the term “separation from service” shall have the meaning set forth in Section 409A(a)(2)(i)(A) of the Code and determined in accordance with the default rules under Section 409A of the Code. The term “specified employee” shall have the meaning set forth in Section 409A(a)(2)(B)(1) of the Code, as determined in accordance with the uniform methodology and procedures adopted by the Employer and then in effect.
- 13.3. Reimbursements. Anything in this Agreement to the contrary notwithstanding, no reimbursement payable to the Executive pursuant to any provisions of this Agreement or pursuant to any plan or arrangement of the Company covered by this Agreement shall be paid later than the last day of the calendar year following the calendar year in which the related expense was incurred, except to the extent that the right to reimbursement does not provide for a “deferral of compensation” within the meaning of Section 409A of the Code. No amount reimbursed during any calendar year shall affect the amounts eligible for reimbursement in any other calendar year.
- 13.4. Intent. The provisions of this Agreement are intended to satisfy the applicable requirements of Section 409A of the Code with respect to amounts subject thereto and shall be performed, interpreted and construed consistent with such intent. If any provision of this Agreement does not satisfy such requirements or could otherwise cause the Executive to recognize income under Section 409A of the Code, the Executive and the Company agree to negotiate in good faith an appropriate modification to maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the requirements of Section 409A of the Code or otherwise causing the recognition of income thereunder.

14. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given when delivered (a) personally, (b) by facsimile with evidence of completed transmission, or (c) delivered by overnight courier to the Party concerned at the address indicated below or to such changed address as such Party may subsequently give such notice of:

If to the Company: Perma-Fix Environmental Services, Inc.  
8302 Dunwoody Place, Suite 250  
Atlanta, Georgia 30350  
Attn: President

If to the Executive: 315 Wilderlake Court  
Atlanta, Georgia 30328

15. Assignment and Successors. This Agreement shall inure to the benefit of and be binding upon (i) the Company and its successors and permitted assigns and (ii) the Executive and his heirs, executors and personal representatives. The Company may assign this Agreement to another corporation in which the Company merges into or consolidates with or to which the Company may sell all or substantially all of its assets; provided however, that prior to such merger, consolidation or sale, the assignee expressly assumes and agrees to perform this Agreement in writing in form and substance reasonably satisfactory to the Executive.

16. Governing Law; Amendment. This Agreement shall be governed by and construed in accordance with the laws of Delaware, without reference to principles of conflict of laws. This Agreement may not be amended or modified except by a written agreement executed by Executive and the Company or their respective successors and legal representatives.

17. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement shall be held invalid or unenforceable in part, the remaining portion of such provision, together with all other provisions of this Agreement, shall remain valid and enforceable and continue in full force and effect to the fullest extent consistent with law.

18. Tax Withholding. Notwithstanding any other provision of this Agreement, the Company may withhold from amounts payable under this Agreement all federal, state, local and foreign taxes that are required to be withheld by applicable laws or regulations.

19. No Waiver. Executive's or the Company's failure to insist upon strict compliance with any provision of, or to assert any right under, this Agreement shall not be deemed to be a waiver of such provision or right or of any other provision of or right under this Agreement. Any provision of this Agreement may be waived by either party; provided that both parties agree to such waiver in writing.

20. No Mitigation or Offset. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be subject to offset or otherwise reduced by any circumstances, including, without limitation, any counterclaim, recoupment, defense or other right which the Company may have against the Executive or others.

21. Conflict. If there is a conflict between this Agreement and the Incentive Plan, this Agreement shall be controlling, except the Incentive Plan will control only as to a conflict relating to the payment of an Incentive Bonus.
22. Headings. The Section headings contained in this Agreement are for convenience only and in no manner shall be construed as part of this Agreement.
23. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and shall supersede all prior agreements, whether written or oral, with respect thereto.
24. Duration of Obligations. The respective rights and obligations of the parties hereunder shall survive any termination of Executive's employment to the extent necessary to give effect to such rights and obligations.
25. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Executive has hereunto set Executive's hand and the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

The "Company"

PERMA-FIX ENVIRONMENTAL SERVICES, INC., a Delaware corporation

By: /s/Ben Naccarato

Name: Ben Naccarato

Title: Chief Financial Officer and Secretary

The "Executive"

/s/Louis Centofanti

Name: Louis Centofanti



## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 6th day of May, 2009, by and between PERMA-FIX ENVIRONMENTAL SERVICES, INC., a Delaware corporation (the "Company"), and Larry McNamara (the "Executive").

### WITNESSETH:

WHEREAS, the Company believes that the services, knowledge, and contributions of the Executive to the Company are of critical importance to the Company;

WHEREAS, the Company wishes to ensure that the Executive will continue to provide his services, knowledge and contributions to the Company; and

WHEREAS, the Executive is currently a "specified employee" as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder (collectively, "Section 409A");

WHEREAS, the Company and the Executive have previously entered into, or may from time to time enter into a separate arrangement, to provide certain management incentive compensation bonuses to the Executive based on the Company's performance during a particular year or other period or periods (an "Incentive Plan").

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations, and warranties set forth in this Agreement, the Company and the Executive agree as follows:

1. Term. Unless sooner terminated pursuant to the terms hereof, the term of this Agreement shall commence on the date hereof and terminate three (3) years from the date hereof, subject to extension by mutual agreement of the parties hereto (the "Term").
  2. Position and Duties.
    - 2.1. Position. The Company agrees to employ the Executive, and the Executive agrees to such employment, as Chief Operating Officer of the Company, or such other position as the Executive and the Company indicate in writing as being acceptable to them. The Executive's authority and duties, including, but not limited to, hierarchical standing in the Company and reporting requirements within the Company, shall be substantial similar in all material respects with the most significant of those exercised by the Executive during the 90 day period immediately preceding the date of this Agreement, except as otherwise agreed to in writing executed by both the Executive and the Company.
    - 2.2. Location. The Executive's duties and services shall be performed in Oak Ridge, Tennessee, or any other office location satisfactory to the Board of Directors, except for travel responsibilities required in the performance of the Executive's duties.
-

- 2.3. Duties. Excluding any periods of vacation and sick leave to which the Executive is entitled, and except as otherwise provided in Section 2.4 below, the Executive agrees to faithfully perform the duties of his office, and to devote his full attention and time to the business and affairs of the Company, to the extent consistent with this Section 2.
- 2.4. Other Activities. It shall not be a violation of this Agreement for the Executive to (i) serve on corporate, civic or charitable boards or committees, (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (iii) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement.

3. Compensation and Benefits.

- 3.1. Annual Base Salary. The Compensation and Stock Option Committee of the Board of Directors of the Company (the "Compensation Committee") has set the annual base salary of the Executive at \$216,320 Dollars per year ("Base Salary"), which Base Salary is payable by the Company to the Executive in equal bi-weekly installments, less appropriate withholdings and deductions in accordance with the Company's customary payroll practices, with the amount of the Base Salary payable each year subject to adjustment as provided in Section 3.3 below.
- 3.2. Adjustment to Base Salary. The Base Salary may be increased, but not be reduced, from time to time as determined by and in the sole discretion of the Compensation Committee.
- 3.3. Incentive Compensation Bonus. In addition to the Base Salary, each year during the Term the Company will pay to the Executive the incentive compensation bonus, if any, that is payable pursuant to any Incentive Plan in effect for such year that may be adopted by the Board of Directors of the Company or the Compensation Committee and agreed to by the Executive with respect to the particular fiscal year of the Company, (an "Incentive Bonus") in accordance with and pursuant to the terms of the Incentive Plan. The Incentive Bonus, if any, may be modified, changed or terminated at anytime or for any reason by the Compensation Committee in its sole discretion in accordance with the terms of the particular Incentive Plan.
- 3.4. Benefits. During the Term, the Executive shall be entitled to participate in all employee benefit plans that are generally made available to other employees of the Company, subject to the terms and conditions of such benefits and plans and, as such benefits and plans may be changed by the Company from time to time. Such benefits include, but not limited to, (i) group medical insurance coverage, (ii) group life insurance coverage and (iii) certain stock option plans.



- 3.5. Expenses. During the Term, the Company shall pay directly, or reimburse the Executive, for any reasonable and necessary expenses and costs incurred by the Executive in connection with, or arising out of, the performance of the Executive's duties hereunder, provided that such expenses and costs shall be paid or reimbursed subject to such rules, regulations, and policies of the Company as established from time to time by the Company. In event the Executive incurs legal fees and expenses to enforce this Agreement, the Company shall reimburse the Executive such reasonable fees in full.
- 3.6. Fringe Benefits. During the Term, the Executive shall be entitled to all fringe benefits including, but not limited to, vacation in accordance with the most favorable plans, practices, programs and policies of the Company during 12- month period immediately preceding the date of this Agreement, or, if more favorable to the Executive, as in effect at any time thereafter with respect to other employees of the Company.

4. Termination.

- 4.1. Termination by the Company as a Result of Death or Disability; Termination by the Company for Cause. At any time during the Term, the Executive's employment with the Company may be terminated for the following reasons:
- 4.1.1 Death. The Executive's employment with the Company shall terminate automatically upon the Executive's death.
- 4.1.2 Disability.
- 4.1.2.1 Definition. "Disability" of the Executive is defined for the purposes of this Agreement as the Executive being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- 4.1.2.2 Application. The Company may terminate the Executive's employment with the Company after establishing the Executive's Disability as set forth in this Section 4.1.2, and giving written notice of its intention to terminate the Executive's employment with the Company ("Disability Termination Notice"). In such a case, the Executive's employment with the Company shall terminate effective on the earlier of the otherwise scheduled expiration of the Term pursuant to Section 1 or on the thirtieth (30<sup>th</sup>) day after receipt of the Disability Termination Notice, provided that the Executive has not resumed full-time performance of his duties under this Agreement.

- 4.1.3 Cause. Subject to the requirements of Sections 4.1.4 and 5 hereof, the Company may terminate the Executive's employment with the Company at any time for "Cause". For the purposes of this Agreement, "Cause" is defined as (i) the ultimate conviction (after all appeals have been decided) of the Executive by a court of competent jurisdiction of, or a plea of nolo contendere or a plea of guilty by the Executive to, a felony involving moral turpitude; or (ii) willful or gross misconduct or gross neglect of duties by the Executive, which is injurious to the Company, provided that, (a) no action or failure to act by the Executive will constitute a reason for termination if the Executive believed in good faith that such action or failure to act was in the Company's best interests, and (b) failure of the Executive to perform his duties hereunder due to a Disability shall not be considered gross misconduct or willful, gross neglect of duties for any purpose; or (iii) the commission by the Executive of an act of fraud or embezzlement against the Company or a subsidiary of the Company; or (iv) Executive's willful breach of any material provision of this Agreement, provided however, that failure of the Executive to perform his duties hereunder due to Disability shall not be considered as a willful breach of this Agreement. For the purposes of this Section 4.1.3, no act or failure to act shall be considered "willful" unless done or omitted to be done by the Executive in bad faith and without reasonable belief that Executive's action or omission was in the best interest of the Company.
- 4.1.4 Upon Executive's separation from service as a result of the termination of Executive's employment by the Company (i) due to the Executive's Death or Disability or (ii) by the Company for Cause, the Company shall pay to the Executive (or in the case of Executive's Death, Executive's estate and/or beneficiary), in a single lump sum payment, in current funds, on the date of such termination of employment, the following:
- 4.1.4.1 any earned but unpaid Base Salary through the date of termination;
  - 4.1.4.2 any amounts payable pursuant to the terms of an Incentive Plan sole as a result of such separation from service; and
  - 4.1.4.3 any benefits due to the Executive under any employee benefit plan of the Company and any payments due the Executive under the terms of any Company program, arrangement or agreement, excluding any severance program or policy (the amounts set forth in Sections 4.1.4.1, 4.1.4.2 and 4.1.4.3 are collectively referred to as the "Accrued Amounts").

4.2. Termination by the Company without Cause or Termination by the Executive for Good Reason.

4.2.1 Subject to requirements of this Section 4.2.1 and Section 5 hereof, the Company may terminate the Executive's employment at any time during the Term without Cause and the Executive may terminate his employment with the Company at any time during the Term for Good Reason. For the purposes of this Agreement, "Good Reason" is defined as (i) the assignment to the Executive of any duties inconsistent with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities that he has had during the 90 day period immediately preceding the date of this Agreement; or (ii) any other action by the Company which results in a reduction in the compensation payable to the Executive, or the position, authority, duties, other responsibilities, other than insubstantial and inadvertent action which is promptly remedied by the Company after receipt of notice thereof from the Executive; or (iii) the Company's requiring the Executive to be based at an office or location other than that which the Executive is based at on the date of this Agreement, except for travel responsibility required in the performance of the Executive's responsibilities; or (iv) any purported termination by the Company of the Executive's employment with the Company otherwise than as permitted by this Agreement, it being understood that any such purported termination shall not be effective for any purpose of this Agreement; or (v) the Company's breach of any material provision of this Agreement, except that an insubstantial or inadvertent breach by the Company which is promptly remedied by the Company after receipt of notice thereof by the Executive shall not be considered a material breach.

Upon Executive's separation from service at any time prior to the expiration of the Term as a result of the Company terminating the Executive's employment other than for Cause, or the Executive terminating his employment with the Company for Good Reason, notwithstanding anything in this Agreement to the contrary, the Company shall pay to the Executive, in a single lump sum payment, in current funds, on the date of such separation from service a sum equal to the total of (i) the Accrued Amounts and (ii) an amount equal to one year's Base Salary (based on the Base Salary being paid to the Executive at the time of such separation from service).

4.3. Termination by the Executive for Any Reasons Other Than Good Reason. The Executive may terminate his employment with the Company at any time during the Term. Upon Executive's separation from service as a result of the Executive terminating his employment with the Company for any reason other than for Good Reason during the Term, the Company shall pay to the Executive in a single lump sum payment on the date of such separation from service an amount equal to the Accrued Amounts.

5. Notice of Termination.

5.1. By Company. The Company shall not be deemed to have terminated this Agreement pursuant to the terms of Sections 4.1.3 and 4.2.1 hereof, unless and until there shall have been delivered to the Executive a copy of a resolution ("Notice of Termination for Cause") duly adopted by the affirmative vote of the Board of Directors of the Company at a meeting of the Board called and held for such purpose (after reasonable notice to the Executive and an opportunity for the Executive, together, with the Executive's counsel, to be heard before the Board), finding that in the good faith opinion of the Board, the Executive should be terminated pursuant to Section 4.1.3 and 4.2, and specifying the particulars thereof in detail.

- 5.2. By Executive. The Executive shall not be deemed to have terminated this Agreement pursuant to the terms of Section 4.2 hereof, unless and until there shall have been delivered by the Executive to the Company a “Notice of Termination for Good Reason” which shall state the specific termination provision relied upon, and specifying the particulars thereof in detail.

6. Stock Options. If during the Term there is a Change in Control, then all of the outstanding stock options to purchase Company common stock granted to, and held by, the Executive shall immediately become vested and exercisable in full notwithstanding the vesting or exercise provisions of the stock options or the stock option plans. For the purposes of this Agreement, a “Change in Control” shall mean any of the following:

- (a) A transaction in which any person, entity, corporation, or group (as such terms are defined in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (other than the Company, or a profit sharing, employee ownership or other employee benefit plan sponsored by the Company or any subsidiary of the Company): (i) will purchase any of the Company’s voting securities (or securities convertible into such voting securities) for cash, securities or other consideration pursuant to a tender offer, or (ii) will become the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act, directly or indirectly (in one transaction or a series of transactions), of securities of the Company representing 50% or more of the total voting power of the then outstanding securities of the Company ordinarily having the right to vote in the election of directors; or
- (b) A change, without the approval of at least two-thirds of the Board of Directors then in office, of a majority of the Company’s Board of Directors; or
- (c) the Company’s execution of an agreement for the sale of all or substantially all of the Company’s assets to a purchaser which is not a subsidiary of the Company; or
- (d) the Company’s adoption of a plan of dissolution or liquidation; or
- (e) the Company’s closure of the Company’s facility where the Executive works; or
- (f) the Company’s execution of an agreement for a merger or consolidation or other business combination involving the Company in which the Company is not the surviving corporation, or, if immediately following such merger or consolidation or other business combination, less than fifty percent (50%) of the surviving corporation’s outstanding voting stock is held by persons who are stockholders of the Company immediately prior to such merger or consolidation or other business combination; or

- (g) such event that is of a nature that is required to be reported in response to Item 5.01 of Form 8-K, as in effect on the date hereof, pursuant to Section 13 or 15(d) of the Exchange Act.

7. Confidentiality of Trade Secrets and Business Information. The Executive agrees that he will not, at any time during Executive's employment with the Company or thereafter, disclose or use any trade secret, proprietary or confidential information of the Company or any subsidiary of the Company (collectively, "Confidential Information"), obtained during the course of such employment, except for disclosures and uses required in the course of such employment with the Company or with the written permission of the Company or, as applicable, any subsidiary of the Company, or as may be required by law, or such information that has become part of the public domain through no effort or act on the part of the Executive prior to such disclosure or use by the Executive; provided that, if Executive receives notice that any party will seek to compel him by process of law to disclose any Confidential Information, Executive shall promptly notify the Company and cooperate with the Company in seeking a protective order against such disclosure.

8. Return of Information. Executive agrees that at the time of any termination of Executive's employment with the Company, whether at the instance of Executive or the Company, and regardless of the reasons therefore, Executive will deliver to the Company, and not keep or deliver to anyone else, any and all notes, files, memoranda, papers and, in general, any and all physical (including electronic) matter containing Confidential Information and other information relating to the business of the Company or any subsidiary or affiliate of the Company which are in Executive's possession, except as otherwise consented in writing by the Company at the time of such termination. The foregoing shall not prevent Executive from retaining copies of personal diaries, personal notes, personal address books, personal calendars, and any other personal information (including, without limitation, information relating to Executive's compensation), but only to the extent such copies do not contain any Confidential Information.

9. Noninterference. During Executive's employment with the Company and for a period of two (2) years following the Executive's termination of employment with the Company, Executive agrees not to directly or indirectly recruit, solicit or induce, any employees, consultants or independent contractors of the Company, any entity in which the Company has made a significant investment, or any subsidiary of the Company (each, a "Restricted Entity") to terminate, alter or modify their employment or other relationship with the Company or any Restricted Entity. During Executive's employment with the Company and for a period of two (2) years following any termination thereof, Executive agrees not to directly or indirectly solicit any customer or business partner of the Company or any Restricted Entity to terminate, alter or modify its relationship with the Company or the Restricted Entity or to interfere with the Company's or any Restricted Entity's relationships with any of its customers or business partners on behalf of any enterprise that directly or indirectly competes with the Company or the Restricted Entity.

10. Enforcement. Executive acknowledges and agrees that: (i) the purpose of the covenants set forth in Sections 7 through 9 above is to protect the goodwill, trade secrets and other Confidential Information of the Company; (ii) because of the nature of the business in which the Company is engaged and because of the nature of the Confidential Information to which Executive has access, it would be impractical and excessively difficult to determine the actual damages of the Company in the event Executive breached any such covenants; and (iii) remedies at law (such as monetary damages) for any breach of Executive's obligations under Sections 7 through 9 would be inadequate. Executive therefore agrees and consents that if Executive commits any breach of a covenant under Sections 7 through 9, the Company shall have the right (in addition to, and not in lieu of, any other right or remedy that may be available to it) to temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without the necessity of proof of actual damage and the Executive shall pay to the Company or reimburse the Company for any and all expenses and reasonable attorneys' fees incurred by the Company as a result of such breach. If any portion of Sections 7 through 9 is hereafter determined to be invalid or unenforceable in any respect, such determination shall not affect the remainder thereof, which shall be given the maximum effect possible and shall be fully enforced, without regard to the invalid portions. If any of the covenants of Sections 7 through 9 are determined to be wholly or partially unenforceable in any jurisdiction, such determination shall not be a bar to or in any way diminish the Company's right to enforce any such covenant in any other jurisdiction.

11. Indemnification. The Company shall indemnify Executive and hold him harmless against any and all losses, liabilities, damages, expenses (including reasonable attorneys' fees) judgments, fines and amounts paid in settlement incurred by or assessed against Executive in connection with any claim, action, suit or proceeding (whether civil, criminal, administrative or investigative), including any action by or in the right of the Company, by reason of any act or omission to act in connection with the performance of his duties hereunder to the fullest extent that the Company is permitted to indemnify a director, officer or employee against the foregoing under applicable law.

12. Executive's Representations. Executive acknowledges that before signing this Agreement, Executive was given the opportunity to read it, evaluate it and discuss it with Executive's personal advisors. Executive further acknowledges that the Company has not provided Executive with any legal advice regarding this Agreement.

13. Section 409A.

13.1. 6-Month Delay. If any amounts that become due under this Agreement constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code, payment of such amounts shall not commence until the Executive incurs a "separation from service." Notwithstanding anything herein to the contrary, if the Executive is a "specified employee," for purposes of Section 409A of the Code, on the date on which he incurs a separation from service, any payment hereunder that provides for the "deferral of compensation" within the meaning of Section 409A of the Code shall not be paid prior to the first business day after the date that is six months following the Executive's "separation from service;" provided, however, that a payment delayed pursuant to the preceding clause shall commence earlier in the event of the Executive's death prior to the end of the six-month period. Within 10 business days after the end of such six months, the Executive shall be paid a lump sum payment in cash equal to any payments delayed because of the preceding sentence. Thereafter, the Executive shall receive any remaining benefits as if there had not been an earlier delay.

- 13.2. Certain Definitions. For purposes of this Agreement, the term “separation from service” shall have the meaning set forth in Section 409A(a)(2)(i)(A) of the Code and determined in accordance with the default rules under Section 409A of the Code. The term “specified employee” shall have the meaning set forth in Section 409A(a)(2)(B)(1) of the Code, as determined in accordance with the uniform methodology and procedures adopted by the Employer and then in effect.
- 13.3. Reimbursements. Anything in this Agreement to the contrary notwithstanding, no reimbursement payable to the Executive pursuant to any provisions of this Agreement or pursuant to any plan or arrangement of the Company covered by this Agreement shall be paid later than the last day of the calendar year following the calendar year in which the related expense was incurred, except to the extent that the right to reimbursement does not provide for a “deferral of compensation” within the meaning of Section 409A of the Code. No amount reimbursed during any calendar year shall affect the amounts eligible for reimbursement in any other calendar year.
- 13.4. Intent. The provisions of this Agreement are intended to satisfy the applicable requirements of Section 409A of the Code with respect to amounts subject thereto and shall be performed, interpreted and construed consistent with such intent. If any provision of this Agreement does not satisfy such requirements or could otherwise cause the Executive to recognize income under Section 409A of the Code, the Executive and the Company agree to negotiate in good faith an appropriate modification to maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the requirements of Section 409A of the Code or otherwise causing the recognition of income thereunder.

14. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given when delivered (a) personally, (b) by facsimile with evidence of completed transmission, or (c) delivered by overnight courier to the Party concerned at the address indicated below or to such changed address as such Party may subsequently give such notice of:

If to the Company: Perma-Fix Environmental Services, Inc.  
8302 Dunwoody Place, Suite 250  
Atlanta, Georgia 30350  
Attn: President

If to the Executive: 111 Baylor Drive  
Oak Ridge, Tennessee 37830

15. Assignment and Successors. This Agreement shall inure to the benefit of and be binding upon (i) the Company and its successors and permitted assigns and (ii) the Executive and his heirs, executors and personal representatives. The Company may assign this Agreement to another corporation in which the Company merges into or consolidates with or to which the Company may sell all or substantially all of its assets; provided however, that prior to such merger, consolidation or sale, the assignee expressly assumes and agrees to perform this Agreement in writing in form and substance reasonably satisfactory to the Executive.

16. Governing Law; Amendment. This Agreement shall be governed by and construed in accordance with the laws of Delaware, without reference to principles of conflict of laws. This Agreement may not be amended or modified except by a written agreement executed by Executive and the Company or their respective successors and legal representatives.

17. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement shall be held invalid or unenforceable in part, the remaining portion of such provision, together with all other provisions of this Agreement, shall remain valid and enforceable and continue in full force and effect to the fullest extent consistent with law.

18. Tax Withholding. Notwithstanding any other provision of this Agreement, the Company may withhold from amounts payable under this Agreement all federal, state, local and foreign taxes that are required to be withheld by applicable laws or regulations.

19. No Waiver. Executive's or the Company's failure to insist upon strict compliance with any provision of, or to assert any right under, this Agreement shall not be deemed to be a waiver of such provision or right or of any other provision of or right under this Agreement. Any provision of this Agreement may be waived by either party; provided that both parties agree to such waiver in writing.

20. No Mitigation or Offset. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be subject to offset or otherwise reduced by any circumstances, including, without limitation, any counterclaim, recoupment, defense or other right which the Company may have against the Executive or others.



21. Conflict. If there is a conflict between this Agreement and the Incentive Plan, this Agreement shall be controlling, except the Incentive Plan will control only as to a conflict relating to the payment of an Incentive Bonus.
22. Headings. The Section headings contained in this Agreement are for convenience only and in no manner shall be construed as part of this Agreement.
23. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and shall supersede all prior agreements, whether written or oral, with respect thereto.
24. Duration of Obligations. The respective rights and obligations of the parties hereunder shall survive any termination of Executive's employment to the extent necessary to give effect to such rights and obligations.
25. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Executive has hereunto set Executive's hand and the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

The "Company"

PERMA-FIX ENVIRONMENTAL SERVICES,  
INC., a Delaware corporation

By: /s/Louis Centofanti

Name: Louis Centofanti

Title: President and Chief Executive Officer

The "Executive"

/s/Larry McNamara

Name: Larry McNamara



## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 6<sup>th</sup> day of May, 2009, by and between PERMA-FIX ENVIRONMENTAL SERVICES, INC., a Delaware corporation (the "Company"), and Ben Naccarato (the "Executive").

### WITNESSETH:

WHEREAS, the Company believes that the services, knowledge, and contributions of the Executive to the Company are of critical importance to the Company;

WHEREAS, the Company wishes to ensure that the Executive will continue to provide his services, knowledge and contributions to the Company; and

WHEREAS, the Executive is currently a "specified employee" as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder (collectively, "Section 409A");

WHEREAS, the Company and the Executive have previously entered into, or may from time to time enter into a separate arrangement, to provide certain management incentive compensation bonuses to the Executive based on the Company's performance during a particular year or other period or periods (an "Incentive Plan").

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations, and warranties set forth in this Agreement, the Company and the Executive agree as follows:

1. Term. Unless sooner terminated pursuant to the terms hereof, the term of this Agreement shall commence on the date hereof and terminate three (3) years from the date hereof, subject to extension by mutual agreement of the parties hereto (the "Term").
  2. Position and Duties.
    - 2.1. Position. The Company agrees to employ the Executive, and the Executive agrees to such employment, as Chief Financial Officer of the Company, or such other position as the Executive and the Company indicate in writing as being acceptable to them. The Executive's authority and duties, including, but not limited to, hierarchical standing in the Company and reporting requirements within the Company, shall be substantial similar in all material respects with the most significant of those exercised by the Executive during the 90 day period immediately preceding the date of this Agreement, except as otherwise agreed to in writing executed by both the Executive and the Company.
    - 2.2. Location. The Executive's duties and services shall be performed in Atlanta, Georgia, or any other office location satisfactory to the Board of Directors, except for travel responsibilities required in the performance of the Executive's duties.
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- 2.3. Duties. Excluding any periods of vacation and sick leave to which the Executive is entitled, and except as otherwise provided in Section 2.4 below, the Executive agrees to faithfully perform the duties of his office, and to devote his full attention and time to the business and affairs of the Company, to the extent consistent with this Section 2.
- 2.4. Other Activities. It shall not be a violation of this Agreement for the Executive to (i) serve on corporate, civic or charitable boards or committees, (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (iii) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement.

3. Compensation and Benefits.

- 3.1. Annual Base Salary. The Compensation and Stock Option Committee of the Board of Directors of the Company (the "Compensation Committee") has set the annual base salary of the Executive at \$200,000 Dollars per year ("Base Salary"), which Base Salary is payable by the Company to the Executive in equal bi-weekly installments, less appropriate withholdings and deductions in accordance with the Company's customary payroll practices, with the amount of the Base Salary payable each year subject to adjustment as provided in Section 3.3 below.
- 3.2. Adjustment to Base Salary. The Base Salary may be increased, but not be reduced, from time to time as determined by and in the sole discretion of the Compensation Committee.
- 3.3. Incentive Compensation Bonus. In addition to the Base Salary, each year during the Term the Company will pay to the Executive the incentive compensation bonus, if any, that is payable pursuant to any Incentive Plan in effect for such year that may be adopted by the Board of Directors of the Company or the Compensation Committee and agreed to by the Executive with respect to the particular fiscal year of the Company, (an "Incentive Bonus") in accordance with and pursuant to the terms of the Incentive Plan. The Incentive Bonus, if any, may be modified, changed or terminated at anytime or for any reason by the Compensation Committee in its sole discretion in accordance with the terms of the particular Incentive Plan.
- 3.4. Benefits. During the Term, the Executive shall be entitled to participate in all employee benefit plans that are generally made available to other employees of the Company, subject to the terms and conditions of such benefits and plans and, as such benefits and plans may be changed by the Company from time to time. Such benefits include, but not limited to, (i) group medical insurance coverage, (ii) group life insurance coverage and (iii) certain stock option plans.

- 3.5. Expenses. During the Term, the Company shall pay directly, or reimburse the Executive, for any reasonable and necessary expenses and costs incurred by the Executive in connection with, or arising out of, the performance of the Executive's duties hereunder, provided that such expenses and costs shall be paid or reimbursed subject to such rules, regulations, and policies of the Company as established from time to time by the Company. In event the Executive incurs legal fees and expenses to enforce this Agreement, the Company shall reimburse the Executive such reasonable fees in full.
- 3.6. Fringe Benefits. During the Term, the Executive shall be entitled to all fringe benefits including, but not limited to, vacation in accordance with the most favorable plans, practices, programs and policies of the Company during 12- month period immediately preceding the date of this Agreement, or, if more favorable to the Executive, as in effect at any time thereafter with respect to other employees of the Company.

4. Termination.

- 4.1. Termination by the Company as a Result of Death or Disability; Termination by the Company for Cause. At any time during the Term, the Executive's employment with the Company may be terminated for the following reasons:
- 4.1.1 Death. The Executive's employment with the Company shall terminate automatically upon the Executive's death.
- 4.1.2 Disability.
- 4.1.2.1 Definition. "Disability" of the Executive is defined for the purposes of this Agreement as the Executive being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- 4.1.2.2 Application. The Company may terminate the Executive's employment with the Company after establishing the Executive's Disability as set forth in this Section 4.1.2, and giving written notice of its intention to terminate the Executive's employment with the Company ("Disability Termination Notice"). In such a case, the Executive's employment with the Company shall terminate effective on the earlier of the otherwise scheduled expiration of the Term pursuant to Section 1 or on the thirtieth (30<sup>th</sup>) day after receipt of the Disability Termination Notice, provided that the Executive has not resumed full-time performance of his duties under this Agreement.

- 4.1.3 Cause. Subject to the requirements of Sections 4.1.4 and 5 hereof, the Company may terminate the Executive's employment with the Company at any time for "Cause". For the purposes of this Agreement, "Cause" is defined as (i) the ultimate conviction (after all appeals have been decided) of the Executive by a court of competent jurisdiction of, or a plea of nolo contendere or a plea of guilty by the Executive to, a felony involving moral turpitude; or (ii) willful or gross misconduct or gross neglect of duties by the Executive, which is injurious to the Company, provided that, (a) no action or failure to act by the Executive will constitute a reason for termination if the Executive believed in good faith that such action or failure to act was in the Company's best interests, and (b) failure of the Executive to perform his duties hereunder due to a Disability shall not be considered gross misconduct or willful, gross neglect of duties for any purpose; or (iii) the commission by the Executive of an act of fraud or embezzlement against the Company or a subsidiary of the Company; or (iv) Executive's willful breach of any material provision of this Agreement, provided however, that failure of the Executive to perform his duties hereunder due to Disability shall not be considered as a willful breach of this Agreement. For the purposes of this Section 4.1.3, no act or failure to act shall be considered "willful" unless done or omitted to be done by the Executive in bad faith and without reasonable belief that Executive's action or omission was in the best interest of the Company.
- 4.1.4 Upon Executive's separation from service as a result of the termination of Executive's employment by the Company (i) due to the Executive's Death or Disability or (ii) by the Company for Cause, the Company shall pay to the Executive (or in the case of Executive's Death, Executive's estate and/or beneficiary), in a single lump sum payment, in current funds, on the date of such termination of employment, the following:
- 4.1.4.1 any earned but unpaid Base Salary through the date of termination;
  - 4.1.4.2 any amounts payable pursuant to the terms of an Incentive Plan solely as a result of such separation from service; and
  - 4.1.4.3 any benefits due to the Executive under any employee benefit plan of the Company and any payments due the Executive under the terms of any Company program, arrangement or agreement, excluding any severance program or policy (the amounts set forth in Sections 4.1.4.1, 4.1.4.2 and 4.1.4.3 are collectively referred to as the "Accrued Amounts").

4.2. Termination by the Company without Cause or Termination by the Executive for Good Reason.

4.2.1 Subject to requirements of this Section 4.2.1 and Section 5 hereof, the Company may terminate the Executive's employment at any time during the Term without Cause and the Executive may terminate his employment with the Company at any time during the Term for Good Reason. For the purposes of this Agreement, "Good Reason" is defined as (i) the assignment to the Executive of any duties inconsistent with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities that he has had during the 90 day period immediately preceding the date of this Agreement; or (ii) any other action by the Company which results in a reduction in the compensation payable to the Executive, or the position, authority, duties, other responsibilities, other than insubstantial and inadvertent action which is promptly remedied by the Company after receipt of notice thereof from the Executive; or (iii) the Company's requiring the Executive to be based at an office or location other than that which the Executive is based at on the date of this Agreement, except for travel responsibility required in the performance of the Executive's responsibilities; or (iv) any purported termination by the Company of the Executive's employment with the Company otherwise than as permitted by this Agreement, it being understood that any such purported termination shall not be effective for any purpose of this Agreement; or (v) the Company's breach of any material provision of this Agreement, except that an insubstantial or inadvertent breach by the Company which is promptly remedied by the Company after receipt of notice thereof by the Executive shall not be considered a material breach.

Upon Executive's separation from service at any time prior to the expiration of the Term as a result of the Company terminating the Executive's employment other than for Cause, or the Executive terminating his employment with the Company for Good Reason, notwithstanding anything in this Agreement to the contrary, the Company shall pay to the Executive, in a single lump sum payment, in current funds, on the date of such separation from service a sum equal to the total of (i) the Accrued Amounts and (ii) an amount equal to one year's Base Salary (based on the Base Salary being paid to the Executive at the time of such separation from service).

4.3. Termination by the Executive for Any Reasons Other Than Good Reason. The Executive may terminate his employment with the Company at any time during the Term. Upon Executive's separation from service as a result of the Executive terminating his employment with the Company for any reason other than for Good Reason during the Term, the Company shall pay to the Executive in a single lump sum payment on the date of such separation from service an amount equal to the Accrued Amounts.

5. Notice of Termination.

5.1. By Company. The Company shall not be deemed to have terminated this Agreement pursuant to the terms of Sections 4.1.3 and 4.2.1 hereof, unless and until there shall have been delivered to the Executive a copy of a resolution ("Notice of Termination for Cause") duly adopted by the affirmative vote of the Board of Directors of the Company at a meeting of the Board called and held for such purpose (after reasonable notice to the Executive and an opportunity for the Executive, together, with the Executive's counsel, to be heard before the Board), finding that in the good faith opinion of the Board, the Executive should be terminated pursuant to Section 4.1.3 and 4.2, and specifying the particulars thereof in detail.

5.2. By Executive. The Executive shall not be deemed to have terminated this Agreement pursuant to the terms of Section 4.2 hereof, unless and until there shall have been delivered by the Executive to the Company a “Notice of Termination for Good Reason” which shall state the specific termination provision relied upon, and specifying the particulars thereof in detail.

6. Stock Options. If during the Term there is a Change in Control, then all of the outstanding stock options to purchase Company common stock granted to, and held by, the Executive shall immediately become vested and exercisable in full notwithstanding the vesting or exercise provisions of the stock options or the stock option plans. For the purposes of this Agreement, a “Change in Control” shall mean any of the following:

- (a) A transaction in which any person, entity, corporation, or group (as such terms are defined in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (other than the Company, or a profit sharing, employee ownership or other employee benefit plan sponsored by the Company or any subsidiary of the Company): (i) will purchase any of the Company’s voting securities (or securities convertible into such voting securities) for cash, securities or other consideration pursuant to a tender offer, or (ii) will become the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act, directly or indirectly (in one transaction or a series of transactions), of securities of the Company representing 50% or more of the total voting power of the then outstanding securities of the Company ordinarily having the right to vote in the election of directors; or
- (b) A change, without the approval of at least two-thirds of the Board of Directors then in office, of a majority of the Company’s Board of Directors; or
- (c) the Company’s execution of an agreement for the sale of all or substantially all of the Company’s assets to a purchaser which is not a subsidiary of the Company; or
- (d) the Company’s adoption of a plan of dissolution or liquidation; or
- (e) the Company’s closure of the Company’s facility where the Executive works; or
- (f) the Company’s execution of an agreement for a merger or consolidation or other business combination involving the Company in which the Company is not the surviving corporation, or, if immediately following such merger or consolidation or other business combination, less than fifty percent (50%) of the surviving corporation’s outstanding voting stock is held by persons who are stockholders of the Company immediately prior to such merger or consolidation or other business combination; or



- (g) such event that is of a nature that is required to be reported in response to Item 5.01 of Form 8-K, as in effect on the date hereof, pursuant to Section 13 or 15(d) of the Exchange Act.

7. Confidentiality of Trade Secrets and Business Information. The Executive agrees that he will not, at any time during Executive's employment with the Company or thereafter, disclose or use any trade secret, proprietary or confidential information of the Company or any subsidiary of the Company (collectively, "Confidential Information"), obtained during the course of such employment, except for disclosures and uses required in the course of such employment with the Company or with the written permission of the Company or, as applicable, any subsidiary of the Company, or as may be required by law, or such information that has become part of the public domain through no effort or act on the part of the Executive prior to such disclosure or use by the Executive; provided that, if Executive receives notice that any party will seek to compel him by process of law to disclose any Confidential Information, Executive shall promptly notify the Company and cooperate with the Company in seeking a protective order against such disclosure.

8. Return of Information. Executive agrees that at the time of any termination of Executive's employment with the Company, whether at the instance of Executive or the Company, and regardless of the reasons therefore, Executive will deliver to the Company, and not keep or deliver to anyone else, any and all notes, files, memoranda, papers and, in general, any and all physical (including electronic) matter containing Confidential Information and other information relating to the business of the Company or any subsidiary or affiliate of the Company which are in Executive's possession, except as otherwise consented in writing by the Company at the time of such termination. The foregoing shall not prevent Executive from retaining copies of personal diaries, personal notes, personal address books, personal calendars, and any other personal information (including, without limitation, information relating to Executive's compensation), but only to the extent such copies do not contain any Confidential Information.

9. Noninterference. During Executive's employment with the Company and for a period of two (2) years following the Executive's termination of employment with the Company, Executive agrees not to directly or indirectly recruit, solicit or induce, any employees, consultants or independent contractors of the Company, any entity in which the Company has made a significant investment, or any subsidiary of the Company (each, a "Restricted Entity") to terminate, alter or modify their employment or other relationship with the Company or any Restricted Entity. During Executive's employment with the Company and for a period of two (2) years following any termination thereof, Executive agrees not to directly or indirectly solicit any customer or business partner of the Company or any Restricted Entity to terminate, alter or modify its relationship with the Company or the Restricted Entity or to interfere with the Company's or any Restricted Entity's relationships with any of its customers or business partners on behalf of any enterprise that directly or indirectly competes with the Company or the Restricted Entity.

10. Enforcement. Executive acknowledges and agrees that: (i) the purpose of the covenants set forth in Sections 7 through 9 above is to protect the goodwill, trade secrets and other Confidential Information of the Company; (ii) because of the nature of the business in which the Company is engaged and because of the nature of the Confidential Information to which Executive has access, it would be impractical and excessively difficult to determine the actual damages of the Company in the event Executive breached any such covenants; and (iii) remedies at law (such as monetary damages) for any breach of Executive's obligations under Sections 7 through 9 would be inadequate. Executive therefore agrees and consents that if Executive commits any breach of a covenant under Sections 7 through 9, the Company shall have the right (in addition to, and not in lieu of, any other right or remedy that may be available to it) to temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without the necessity of proof of actual damage and the Executive shall pay to the Company or reimburse the Company for any and all expenses and reasonable attorneys' fees incurred by the Company as a result of such breach. If any portion of Sections 7 through 9 is hereafter determined to be invalid or unenforceable in any respect, such determination shall not affect the remainder thereof, which shall be given the maximum effect possible and shall be fully enforced, without regard to the invalid portions. If any of the covenants of Sections 7 through 9 are determined to be wholly or partially unenforceable in any jurisdiction, such determination shall not be a bar to or in any way diminish the Company's right to enforce any such covenant in any other jurisdiction.

11. Indemnification. The Company shall indemnify Executive and hold him harmless against any and all losses, liabilities, damages, expenses (including reasonable attorneys' fees) judgments, fines and amounts paid in settlement incurred by or assessed against Executive in connection with any claim, action, suit or proceeding (whether civil, criminal, administrative or investigative), including any action by or in the right of the Company, by reason of any act or omission to act in connection with the performance of his duties hereunder to the fullest extent that the Company is permitted to indemnify a director, officer or employee against the foregoing under applicable law.

12. Executive's Representations. Executive acknowledges that before signing this Agreement, Executive was given the opportunity to read it, evaluate it and discuss it with Executive's personal advisors. Executive further acknowledges that the Company has not provided Executive with any legal advice regarding this Agreement.

13. Section 409A.

13.1. 6-Month Delay. If any amounts that become due under this Agreement constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code, payment of such amounts shall not commence until the Executive incurs a "separation from service." Notwithstanding anything herein to the contrary, if the Executive is a "specified employee," for purposes of Section 409A of the Code, on the date on which he incurs a separation from service, any payment hereunder that provides for the "deferral of compensation" within the meaning of Section 409A of the Code shall not be paid prior to the first business day after the date that is six months following the Executive's "separation from service;" provided, however, that a payment delayed pursuant to the preceding clause shall commence earlier in the event of the Executive's death prior to the end of the six-month period. Within 10 business days after the end of such six months, the Executive shall be paid a lump sum payment in cash equal to any payments delayed because of the preceding sentence. Thereafter, the Executive shall receive any remaining benefits as if there had not been an earlier delay.

- 13.2. Certain Definitions. For purposes of this Agreement, the term “separation from service” shall have the meaning set forth in Section 409A(a)(2)(i)(A) of the Code and determined in accordance with the default rules under Section 409A of the Code. The term “specified employee” shall have the meaning set forth in Section 409A(a)(2)(B)(1) of the Code, as determined in accordance with the uniform methodology and procedures adopted by the Employer and then in effect.
- 13.3. Reimbursements. Anything in this Agreement to the contrary notwithstanding, no reimbursement payable to the Executive pursuant to any provisions of this Agreement or pursuant to any plan or arrangement of the Company covered by this Agreement shall be paid later than the last day of the calendar year following the calendar year in which the related expense was incurred, except to the extent that the right to reimbursement does not provide for a “deferral of compensation” within the meaning of Section 409A of the Code. No amount reimbursed during any calendar year shall affect the amounts eligible for reimbursement in any other calendar year.
- 13.4. Intent. The provisions of this Agreement are intended to satisfy the applicable requirements of Section 409A of the Code with respect to amounts subject thereto and shall be performed, interpreted and construed consistent with such intent. If any provision of this Agreement does not satisfy such requirements or could otherwise cause the Executive to recognize income under Section 409A of the Code, the Executive and the Company agree to negotiate in good faith an appropriate modification to maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the requirements of Section 409A of the Code or otherwise causing the recognition of income thereunder.

14. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given when delivered (a) personally, (b) by facsimile with evidence of completed transmission, or (c) delivered by overnight courier to the Party concerned at the address indicated below or to such changed address as such Party may subsequently give such notice of:

If to the Company: Perma-Fix Environmental Services, Inc.  
8302 Dunwoody Place, Suite 250  
Atlanta, Georgia 30350  
Attn: President

If to the Executive: 1875 Hadfield Blvd  
Roswell, Georgia 30075

15. Assignment and Successors. This Agreement shall inure to the benefit of and be binding upon (i) the Company and its successors and permitted assigns and (ii) the Executive and his heirs, executors and personal representatives. The Company may assign this Agreement to another corporation in which the Company merges into or consolidates with or to which the Company may sell all or substantially all of its assets; provided however, that prior to such merger, consolidation or sale, the assignee expressly assumes and agrees to perform this Agreement in writing in form and substance reasonably satisfactory to the Executive.

16. Governing Law; Amendment. This Agreement shall be governed by and construed in accordance with the laws of Delaware, without reference to principles of conflict of laws. This Agreement may not be amended or modified except by a written agreement executed by Executive and the Company or their respective successors and legal representatives.

17. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement shall be held invalid or unenforceable in part, the remaining portion of such provision, together with all other provisions of this Agreement, shall remain valid and enforceable and continue in full force and effect to the fullest extent consistent with law.

18. Tax Withholding. Notwithstanding any other provision of this Agreement, the Company may withhold from amounts payable under this Agreement all federal, state, local and foreign taxes that are required to be withheld by applicable laws or regulations.

19. No Waiver. Executive's or the Company's failure to insist upon strict compliance with any provision of, or to assert any right under, this Agreement shall not be deemed to be a waiver of such provision or right or of any other provision of or right under this Agreement. Any provision of this Agreement may be waived by either party; provided that both parties agree to such waiver in writing.

20. No Mitigation or Offset. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be subject to offset or otherwise reduced by any circumstances, including, without limitation, any counterclaim, recoupment, defense or other right which the Company may have against the Executive or others.

21. Conflict. If there is a conflict between this Agreement and the Incentive Plan, this Agreement shall be controlling, except the Incentive Plan will control only as to a conflict relating to the payment of an Incentive Bonus.
22. Headings. The Section headings contained in this Agreement are for convenience only and in no manner shall be construed as part of this Agreement.
23. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and shall supersede all prior agreements, whether written or oral, with respect thereto.
24. Duration of Obligations. The respective rights and obligations of the parties hereunder shall survive any termination of Executive's employment to the extent necessary to give effect to such rights and obligations.
25. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Executive has hereunto set Executive's hand and the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

The "Company"

PERMA-FIX ENVIRONMENTAL SERVICES,  
INC., a Delaware corporation

By: /s/Louis Centofanti  
Name: Louis Centofanti  
Title: President and Chief Executive Officer

The "Executive"

/s/Ben Naccarato  
Name: Ben Naccarato

