

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) July 10, 2014

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation)

1-11596

(Commission File Number)

58-1954497

(IRS Employer Identification No.)

8302 Dunwoody Place, Suite 250, Atlanta, Georgia

(Address of principal executive offices)

30350

(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.

#### *Employment Agreements*

On July 10, 2014, the Company's Compensation and Stock Option Committee ("Compensation Committee") and Board approved, and the Company entered into, employment agreements with each of Dr. Louis F. Centofanti, the Chief Executive Officer ("CEO Employment Agreement"), Ben Naccarato, the Chief Financial Officer ("CFO Employment Agreement"), and John Lash, the Chief Operating Officer ("COO Employment Agreement" and, collectively with the CEO Employment Agreement and the CFO Employment Agreement, the "New Employment Agreement"). The Company had previously entered into employment agreements with each of Dr. Louis F. Centofanti, CEO, and Ben Naccarato, CFO, on August 24, 2011, which were both due to expire on August 24, 2014. Both of the existing employment agreements with the CEO and the CFO were terminated effective July 10, 2014 in connection with the execution of the New Employment Agreements. Pursuant to the New Employment Agreements, which are effective as of July 10, 2014, (a) Dr. Centofanti will continue to serve as the Company's Chief Executive Officer and President, with an annual base salary of \$271,115, (b) Mr. Lash will continue to serve as the Company's Chief Operating Officer, with an annual base salary of \$215,000 (Mr. Lash was appointed as the Company's COO upon the voluntary resignation of Mr. James A. Blankenhorn, Vice President and COO, on March 20, 2014), and (c) Mr. Naccarato will continue to serve as the Company's Chief Financial Officer, with an annual base salary of \$214,240. In addition, each of these executive officers is entitled to participate in the Company's broad-based benefits plans and to certain performance compensation payable under separate Management Incentive Plans ("MIPs") approved by the Company's Compensation Committee and Board on July 10, 2014 with respect to each of the CEO, COO and CFO. The terms of each 2014 MIP, which are each effective as of January 1, 2014, are described below under the heading "Management Incentive Plans ("MIP")."

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 (as defined in the employment agreements), all outstanding stock options to purchase common stock held by the executive officer will immediately become exercisable in full. Severance benefits payable with respect to a termination (other than Accrued Amounts) are payable only if the termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h)).

The summaries of the terms of the CEO Employment Agreement, CFO Employment Agreement, and COO Employment Agreement set forth above are qualified in their entirety by reference to the full text of the employment agreements, which are attached hereto as Exhibits 10.1, 10.2, and 10.3, respectively, and incorporated herein by reference.

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

On July 10, 2014, the Company’s Compensation Committee approved individual management incentive plans (“MIPs”) for Dr. Louis F. Centofanti, our CEO, John Lash, our COO, and Ben Naccarato, our CFO. The MIPs are effective as of January 1, 2014. Each MIP provides guidelines for the calculation of annual cash incentive based compensation, subject to Compensation Committee oversight and modification. Each MIP awards 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 50% to 87% or \$135,558 to \$237,224 of the 2014 base salary for the CEO, 50% to 87% or \$107,500 to \$188,127 of the 2014 base salary for the COO, and 50% to 87% or \$107,120 to \$187,458 of the 2014 base salary for the CFO.

Performance compensation is paid on or about 90 days after year-end, or sooner, based on finalization of our audited financial statements for 2014. If the MIP participant’s employment with the Company is voluntarily or involuntarily terminated prior to a regularly scheduled MIP compensation payment date, no MIP payment will be payable for and after such period.

The Compensation Committee retains the right to modify, change or terminate each MIP and may adjust the various target amounts described below, at any time and for any reason.

The total paid to the CEO, COO, and CFO will not exceed 50% of the Company’s pre-tax net income prior to the calculation of performance compensation.

Each MIP is briefly described below, and the descriptions are qualified by reference to the respective MIPs attached as exhibits 10.4 to 10.6 to this Report.

#### *CEO MIP:*

2014 CEO performance compensation is based upon meeting corporate revenue, EBITDA (“earnings before interest, taxes, depreciation and amortization”), health and safety, and environmental compliance (permit and license violations) objectives during fiscal year 2014 from our continuing operations. Of the total potential performance compensation, 55% is based on EBITDA goal, 15% on revenue goal, 15% on the number of health and safety claim incidents that occur during fiscal year 2014, and the remaining 15% on the number of notices alleging environmental, health or safety violations under our permits or licenses that occur during the fiscal year 2014. No performance incentive compensation will be payable to the CEO for achieving the health and safety, permit and license violation, and revenue targets unless a minimum of 70% of the EBITDA target is achieved. Each of the revenue and EBITDA components is based on our board approved revenue target and EBITDA target. The 2014 target performance incentive compensation for our CEO is as follows:

Annualized Base Pay:	\$	271,115
Performance Incentive Compensation Target (at 100% of MIP):	\$	135,558
Total Annual Target Compensation (at 100% of MIP):	\$	406,673

*COO MIP:*

2014 COO performance compensation is based upon meeting corporate revenue, EBITDA, health and safety, and environmental compliance (permit and license violations) objectives during fiscal year 2014 from our continuing operations. Of the total potential performance compensation, 55% is based on EBITDA goal, 15% on revenue goal, 15% on the number of health and safety claim incidents that occur during fiscal year 2014, and the remaining 15% on the number of notices alleging environmental, health or safety violations under our permits or licenses that occur during the fiscal year 2014. No performance incentive compensation will be payable to the COO for achieving the health and safety, permit and license violation, and revenue targets unless a minimum of 70% of the EBITDA target is achieved. Each of the revenue and EBITDA components is based on our board approved revenue target and EBITDA target. The 2014 target performance incentive compensation for our COO is as follows:

Annualized Base Pay:	\$	215,000
Performance Incentive Compensation Target (at 100% of Plan):	\$	107,500
Total Annual Target Compensation (at 100% of Plan):	\$	322,500

*CFO MIP:*

2014 CFO performance compensation is based upon meeting corporate revenue, EBITDA, health and safety, and environmental compliance (permit and license violations) objectives during fiscal year 2014 from our continuing operations. Of the total potential performance compensation, 55% is based on EBITDA goal, 15% on revenue goal, 15% on the number of health and safety claim incidents that occur during fiscal year 2014, and the remaining 15% on the number of notices alleging environmental, health or safety violations under our permits or licenses that occur during the fiscal year 2014. No performance incentive compensation will be payable to the CFO for achieving the health and safety, permit and license violation, and revenue targets unless a minimum of 70% of the EBITDA target is achieved. Each of the revenue and EBITDA components is based on our board approved revenue target and EBITDA target. The 2014 target performance incentive compensation for our CFO is as follows:

Annualized Base Pay:	\$	214,240
Performance Incentive Compensation Target (at 100% of Plan):	\$	107,120
Total Annual Target Compensation (at 100% of Plan):	\$	321,360

*Option Agreement*

On July 10, 2014, Perma-Fix Environmental Services, Inc. (the "Company") granted to Mr. John Lash, our Chief Operating Officer, an incentive stock option (the "Option") to purchase up to 45,000 shares of the Company's common stock at an exercise price of \$5.00 per share. The exercise price is the closing price of the Company's common stock as reported on the Nasdaq Capital Market on the grant date. The Option has a term of six years from grant date with one-third yearly vesting over a three year period. The Option was granted in accordance with, and is subject to, the Company's 2010 Stock Option Plan.

**Section 9 – Financial Statements and Exhibits**

**Item 9.01 – Financial Statements and Exhibits**

**(d) Exhibits**

<u>Exhibit Number</u>	<u>Description</u>
10.1	Employment Agreement dated July 10, 2014 between Louis Centofanti, Chief Executive Officer, and Perma-Fix Environmental Services, Inc.
10.2	Employment Agreement dated July 10, 2014 between John Lash, Chief Operating Officer, and Perma-Fix Environmental Services, Inc.
10.3	Employment Agreement dated July 10, 2014 between Ben Naccarato, Chief Financial Officer, and Perma-Fix Environmental Services, Inc.
10.4	2014 Management Incentive Plan for Chief Executive Officer, approved July 10, 2014 but effective January 1, 2014.
10.5	2014 Management Incentive Plan for Chief Operating Officer, approved July 10, 2014 but effective January 1, 2014.
10.6	2014 Management Incentive Plan for Chief Financial Officer, approved July 10, 2014 but effective January 1, 2014.
10.7	Incentive Stock Option Agreement between Perma-Fix Environmental Services, Inc. and Mr. John Lash.

**Signatures**

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

Dated: July 15, 2014

PERMA-FIX ENVIRONMENTAL SERVICES,  
INC.

By: /s/ Ben Naccarato

Ben Naccarato  
Vice President and  
Chief Financial Officer

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into as of the 10<sup>th</sup> day of July, 2014, 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 **\$271,115** 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 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: 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/LouisCentofanti

Name: Louis Centofanti



EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into as of the 10th day of July, 2014, by and between PERMA-FIX ENVIRONMENTAL SERVICES, INC., a Delaware corporation (the “Company”), and John Lash (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 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 **\$215,000** 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 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 to 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: 12531 Choto Mill Lane  
Knoxville, TN 37922

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/John Lash

Name: John Lash

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into as of the 10th day of July, 2014, 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 **\$214,240** 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 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 to 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

CHAIRMAN, CHIEF EXECUTIVE OFFICER AND PRESIDENT

Effective: January 1, 2014

CEO 2014 MIP

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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. Effective date of plan is January 1, 2014 and incentive will be for entire year. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

**SEPARATION:** If employment is separated prior to the annual incentive compensation payment date 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 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 EBITDA 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.

**CEO 2014 MIP**

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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:	\$ 271,115
Performance Incentive Compensation Target (at 100% of Plan):	\$ 135,558
Total Annual Target Compensation (at 100% of Plan):	\$ 406,673

The Performance Incentive Compensation Target is based on the Schedule A below.

<u>Target Objectives</u>		Performance Target Thresholds						
		<u>Weights</u>	<u>85-100%</u>	<u>101-120%</u>	<u>121-130%</u>	<u>131-140%</u>	<u>141-150%</u>	<u>151-160%</u>
Revenue	15%	20,334	24,400	26,434	28,467	30,500	32,534	35,584
EBITDA	55%	74,556	89,467	96,922	104,378	111,833	119,289	130,472
Health & Safety	15%	20,334	24,400	26,434	28,467	30,500	32,534	35,584
Permit & License Violations	15%	20,334	24,400	26,434	28,467	30,500	32,534	35,584
		135,558	162,667	176,224	189,779	203,333	216,891	237,224

- 1) Revenue is defined as the total consolidated third party top line revenue from continuing operations as publicly reported in the Company's financial statements. The percentage achieved is determined by comparing the actual consolidated revenue from continuing operations to the Board approved Revenue Target from continuing operations, which is \$68,757,000. 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) EBITDA is defined as earnings before interest, taxes, depreciation, and amortization from continuing operations. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target, which is \$5,647,000. The Board reserves the right to modify or change the EBITDA 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.
- 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 2014.

CEO 2014 MIP

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) No performance incentive compensation will be payable for achieving the health and safety, permit and license violation, and revenue targets unless a minimum of 70% of the EBITDA Target is achieved.

Performance Incentive Compensation Payment

Effective date of plan is January 1, 2014 and incentive will be for entire year. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

In no event will Performance Incentive Compensation paid to all Executive Officers as a group exceed 50% of Pretax Net Income computed prior to the calculation of bonus expense.

ACKNOWLEDGMENT:

I acknowledge receipt of the aforementioned Chairman, Chief Executive Officer and President 2014 - 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

7/11/2014  
Date

/s/Larry Shelton  
/S/ Board of Directors

7/11/2014  
Date

**CEO 2014 MIP**

CHIEF OPERATING OFFICER

Effective: January 1, 2014

COO 2014 MIP

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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. Effective date of plan is January 1, 2014. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

**SEPARATION:** If employment is separated prior to the annual incentive compensation payment date 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 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 EBITDA 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.

**COO 2014 MIP**

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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:	\$ 215,000
Performance Incentive Compensation Target (at 100% of Plan):	\$ 107,500
Total Annual Target Compensation (at 100% of Plan):	\$ 322,500

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

	Weights	Performance Target Thresholds						
		85-100%	101-120%	121-130%	131-140%	141-150%	151-160%	161%+
Revenue	15%	16,125	19,350	20,963	22,575	24,188	25,800	28,219
EBITDA	55%	59,125	70,951	76,863	82,775	88,687	94,600	103,470
Health & Safety	15%	16,125	19,351	20,962	22,576	24,188	25,801	28,219
Permit & License Violations	15%	16,125	19,351	20,962	22,576	24,188	25,801	28,219
		107,500	129,003	139,750	150,502	161,251	172,002	188,127

- 1) Revenue is defined as the total consolidated third party top line revenue from continuing operations as publicly reported in the Company's financial statements. The percentage achieved is determined by comparing the actual consolidated revenue from continuing operations to the Board approved Revenue Target from continuing operations, which is \$68,757,000. 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) EBITDA is defined as earnings before interest, taxes, depreciation, and amortization from continuing operations. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target, which is \$5,647,000. The Board reserves the right to modify or change the EBITDA 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.
- 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 2014.

COO 2014 MIP

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) No performance incentive compensation will be payable for achieving the health and safety, permit and license violation, and revenue targets unless a minimum of 70% of the EBITDA Target is achieved.

Performance Incentive Compensation Payment

Effective date of plan is January 1, 2014. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

In no event will Performance Incentive Compensation paid to all Executive Officers as a group exceed 50% of Pretax Net Income computed prior to the calculation of bonus expense.

ACKNOWLEDGMENT:

I acknowledge receipt of the aforementioned Chief Operating Officer 2014 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/John Lash  
/S/ John Lash

7/11/2014  
Date

/s/Larry Shelton  
/S/ Board of Directors

7/11/2014  
Date

**COO 2014 MIP**



CHIEF FINANCIAL OFFICER

Effective: January 1, 2014

CFO 2014 MIP

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## CHIEF FINANCIAL OFFICER

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

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

**POLICY:** The 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. Effective date of plan is January 1, 2014 and incentive will be for entire year. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final 10-K financial statement.

**SEPARATION:** If employment is separated prior to the annual incentive compensation payment date 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 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 EBITDA Target 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.

CFO 2014 MIP

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CHIEF FINANCIAL OFFICER

Base Pay and Performance Incentive Compensation Targets

The compensation for the below named individual as follows:

Annualized Base Pay:	\$ 214,240
Performance Incentive Compensation Target (at 100% of Plan):	\$ 107,120
Total Annual Target Compensation (at 100% of Plan):	\$ 321,360

The Performance Incentive Compensation Target is based on the Schedule A below.

	Weights	Performance Target Thresholds						
		85-100%	101-120%	121-130%	131-140%	141-150%	151-160%	161%+
Revenue	15%	16,068	19,282	20,888	22,495	24,102	25,709	28,119
EBITDA	55%	58,916	70,698	76,592	82,482	88,373	94,266	103,103
Health & Safety	15%	16,068	19,281	20,888	22,495	24,101	25,709	28,118
Permit & License Violations	15%	16,068	19,281	20,888	22,495	24,101	25,709	28,118
		107,120	128,542	139,258	149,967	160,677	171,393	187,458

- 1) Revenue is defined as the total consolidated third party top line revenue from continuing operations as publicly reported in the Company's financial statements. The percentage achieved is determined by comparing the actual consolidated revenue from continuing operations to the Board approved Revenue Target from continuing operations, which is \$68,757,000. 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) EBITDA is defined as earnings before interest, taxes, depreciation, and amortization from continuing operations. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target, which is \$5,647,000. The Board reserves the right to modify or change the EBITDA 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.
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Work Comp. Claim Number	Performance Target
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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).

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- 5) No performance incentive compensation will be payable for achieving the health and safety, permit and license violation, and revenue targets unless a minimum of 70% of the EBITDA Target is achieved.

Performance Incentive Compensation Payment

Effective date of plan is January 1, 2014 and incentive will be for entire year. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

In no event will Performance Incentive Compensation paid to all Executive Officers as a group exceed 50% of Pretax Net Income computed prior to the calculation of bonus expense.

ACKNOWLEDGMENT:

I acknowledge receipt of the aforementioned Chief Financial Officer 2014 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ Ben Naccarato  
/s/Ben Naccarato

7/11/2014  
Date

/s/Larry Shelton  
/s/ Board of Director

7/11/2014  
Date

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

2010 STOCK OPTION PLAN

INCENTIVE STOCK OPTION AGREEMENT

Participant Name:

Grant Date: July 10, 2014

		<u>Vesting Schedule</u>	
		<u>Exercise Dates</u>	<u>Percent Exercisable</u>
Shares Subject to Option:	<u>45,000</u>	<u>7/10</u>	<u>33.3% per year</u>
Expiration Date:	<u>7/10/2020</u>		
Exercise Price:	<u>\$ 5.00</u>		

PERMA-FIX ENVIRONMENTAL SERVICES, INC.  
2010 STOCK OPTION PLAN

INCENTIVE STOCK OPTION AGREEMENT

THIS AGREEMENT is made as of the Grant Date set forth on the cover page of this Agreement (the "Cover Page") between PERMA-FIX ENVIRONMENTAL SERVICES, INC., an Delaware corporation (the "Company"), and the participant named on the Cover Page (the "Participant"). In consideration of the mutual covenants and conditions herein set forth and for good and valuable consideration, the Company and the Participant agree as follows:

1. Recitations. The Participant is an employee of the Company or a Subsidiary, and the Company believes that the Participant should be provided an inducement to continue the Participant's employment with the Company and to advance the interests of the Company. Accordingly, the Company desires to provide the Participant with the opportunity to purchase certain shares of the Company's common stock, par value \$.001 per share (the "Common Stock"), pursuant to the Company's 2010 Stock Option Plan, adopted by the Board of Directors, and approved by the Company's shareholders on September 29, 2010 (the "Plan"). A copy of the Plan has been delivered to the Participant, and the capitalized terms in this Agreement have the same meaning as set forth in the Plan, unless otherwise indicated.

2. Grant of Option. The Company hereby grants to Participant the option to purchase the shares of Common Stock set forth on the Cover Page (the "Option"). The purchase price for each share to be purchased under the Option will be the exercise price set forth on the Cover Page (the "Exercise Price"), subject to adjustment as provided in the Plan, which Exercise Price is the Fair Market Value of the shares of Common Stock as of the Grant Date. The Option is intended to qualify as an "incentive stock option" as such term is defined under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

3. Vesting of Option. The Participant may exercise this Option for the shares of Common Stock, which become vested pursuant to this paragraph 3. The Option will vest 33.3% per year, beginning on the first anniversary date of the Grant Date as stated on the Cover Page. If Participant's employment with the Company or any Subsidiary remains full-time and continuous at all times prior to any Exercise Date set forth on the Cover Page, then the Option will be deemed vested and may be exercised for the purchase of all or part of the cumulative number of shares of Common Stock determined by multiplying the Shares Subject to Option set forth on the Cover Page by the designated percentage set forth on the Cover Page.

4. Exercise and Payment. The Option may not be exercised unless the Participant is a full-time employee of the Company or any Subsidiary at all times during the period commencing with the Grant Date and ending on the earlier of (a) the Expiration Date set forth on the Cover Page; (b) 12 months following the Participant's termination of employment as a result of a Disability; (c) six months following the Participant's termination of employment as a result of Retirement; and (d) three months following the Participant's termination of employment as a result of Voluntary Termination or Layoff. If the Participant dies prior to the Expiration Date, the Option may be exercised by the personal representative or executor of the Participant's estate or by a person who acquired the right to exercise by bequest, inheritance or by reason of the Participant's death, as provided in the Plan.

4.1 Notice and Payment. The Option will be exercised by the Participant giving the Company written notice at the Company's principal place of business setting forth the exact number of shares that the Participant is purchasing under the Option. This written notice will be accompanied by the payment to the Company of the full Exercise Price for the number of shares Participant desires to purchase. The form of written notice is attached as Exhibit "A" to this Agreement. The Participant agrees to comply with such other reasonable requirements as the Committee may establish.

4.2 Method of Payment. Payment of the Exercise Price may be made by the following:

- (a) cash or wire transfer;
- (b) certified check or bank check;
- (c) other shares of Common Stock owned by the Participant for at least six months prior to the date of exercise, provided such shares have a Fair Market Value on the date of exercise of the Stock Option equal to the aggregate exercise price for the Common Stock being purchased;
- (d) by requesting the Company to withhold such number of Shares then issuable upon exercise of the Option that have an aggregate Fair Market Value equal to the exercise price for the Option being exercised; or
- (e) by a combination of the methods described above.

No loan or advance will be made by the Company for the purpose of financing the purchase of shares under the Option.

4.3 Issuance of Shares. As soon as practicable after the Company receives notice and payment pursuant to this paragraph 4, the Company will cause one or more certificates for the shares purchased under the Option to be delivered to the Participant or the personal representative of a deceased Participant's estate. If any law or regulation requires the Company to take any action with respect to the shares specified in such written notice before the issuance thereof, then the date of issuance of such shares will be extended for a period necessary to take such action.

5. Term of Option. The Option will terminate and become null and void at the close of business on the Expiration Date. Notwithstanding anything contained herein to the contrary, the Option may not be exercised after such Expiration Date.

6. Disqualifying Disposition of Stock. If the Participant makes a disposition of any shares of Common Stock covered by the Option within one year after the date of exercise of the Option or within two years after the date of grant of the Option, then the Participant will promptly deliver written notice to the President or Chief Financial Officer of the Company specifying (a) the date of such disposition, (b) the number of shares of Common Stock subject to the disposition, and (c) the amount of any consideration received on such disposition. The Company may make such provision as it deems appropriate for the withholding of any applicable federal, state or local taxes arising as a result of such disposition. For purposes of this paragraph 6, the term "disposition" has the meaning set forth in Section 424(c) of the Code and the related regulations.



7. Nontransferability. The Option may not be transferred except by will or the laws of descent and distribution. Only the Participant may exercise the Option during the Participant's lifetime. For purposes of this paragraph 7, the term "transfer" includes without limitation, any disposition, assignment, pledge, or hypothecation, whether by operation of law or otherwise. The Option will not be subject to execution, attachment, or similar process. Any attempted assignment, transfer, pledge, hypothecation, or other disposition of the Option contrary to the provisions of this Agreement, and the levy of any execution, attachment or similar process upon the Option, will be null and void and without effect.

8. Investment Representations. The Participant hereby represents, warrants, covenants, agrees and acknowledges the following: The Option will be exercised and shares of Common Stock issued only upon compliance with the Securities Act of 1933, as amended (the "Act"), and any other applicable securities law, or pursuant to an exemption therefrom; the Participant will acquire shares of Common Stock under the Option for investment purposes only and with no present intention to resell or distribute the same; and upon request by the Company, the Participant will execute and deliver to the Company an agreement to the foregoing effect.

9. Annual Limitation. To the extent that the aggregate Fair Market Value of the shares of Common Stock with respect to which Incentive Stock Option are exercisable for the first time by Participant during any calendar year under all of the Company's plans exceeds \$100,000, such excess Options will be treated as Nonqualified Stock Options under the terms of the Plan.

10. Rights as a Shareholder. Participant will have no rights as a shareholder with respect to any shares covered by this Agreement or the Option until the date of issuance of a stock certificate to Participant for such shares. No adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

11. Employment. As long as the Participant continues to be a full-time and continuous employee of the Company or any Subsidiary, the Option will not be effected by any change of duties or position. The Committee will determine whether a leave of absence or part-time employment will be considered a termination of employment with the Company or any Subsidiary within the meaning of the Plan. Nothing in the Plan or in this Agreement will confer upon the Participant any right to continue in the employ of the Company or any Subsidiary or will interfere in any way with the right of the Company or any Subsidiary to terminate the Participant's employment at any time.

12. Governing Law; Binding Effect. This Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware without regard to choice of law provisions. This Agreement will be binding upon the heirs, executors, administrators, and successors of the parties hereto.

13. Amendments. Subject to the terms of the Plan, the Board may amend any of the provisions of the Plan, and may at any time terminate the Plan. However, no amendment may be made to the Plan, which in any material respect impairs the rights of the Participant under this Agreement without the Participant's consent.

14. Incorporation by Reference; Interpretation. The Option is granted pursuant to the Plan, the terms of which are incorporated herein by reference, and the Option and this Agreement will be interpreted in accordance with the Plan. The Committee will (a) construe and interpret the terms and provisions of the Plan and this Agreement, and (b) in its discretion make general and special rules and regulations for administering the Plan. The Committee's construction, interpretation, rules, and regulations will be binding and conclusive upon all persons granted an Option.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

PERMA-FIX ENVIRONMENTAL SERVICES,  
INC, a Delaware corporation

By: /s/Dr. Louis Centofanti

Dr. Louis F. Centofanti  
CEO & Chairman of the Board

("Participant")

/s/John Lash

(Signature)

John Lash

(Please Print Name)

PERMA-FIX ENVIRONMENTAL SERVICES, INC.  
2010 STOCK OPTION PLAN

NOTICE OF EXERCISE  
OF INCENTIVE STOCK OPTION

Date: \_\_\_\_\_

Perma-Fix Environmental Services, Inc.  
8302 Dunwoody Place #250  
Atlanta, GA 30350

Re: ISO No. \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_\_\_\_

Dear Sir:

Pursuant to paragraph 4 of the referenced Incentive Stock Option Agreement, the undersigned hereby exercises the related Incentive Stock Option for the purchase of \_\_\_\_\_ shares of common stock of Perma-Fix Environmental Services, Inc.

Enclosed is a check in the amount of \$\_\_\_\_\_, which represents the Exercise Price for the number of shares to be purchased. Please issue in my name one certificate for the shares being purchased and deliver the certificate to me at the address set forth below.

Very truly yours,

\_\_\_\_\_  
(Please Sign)

Deliver to:

\_\_\_\_\_  
(Address)

Enclosure

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