
**UNITED STATE
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) January 18, 2018

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Section 5 – Corporate Governance and Management

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

Management Incentive Plans (“MIPs”)

On January 18, 2018, the Company’s Compensation and Stock Option Committee (the “Compensation Committee”) and the Board of Directors (the “Board”) approved individual MIPs for Mark Duff, our Chief Executive Officer (the “CEO”); Ben Naccarato, our Chief Financial Officer (the “CFO”); and Dr. Louis Centofanti, our Executive Vice President of Strategic Initiatives (the “EVP of Strategic Initiatives”). The MIPs are effective January 1, 2018 and applicable for year 2018. 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 5% to 100% of the 2018 base salary for the CEO (\$13,350 to \$267,000), 5% to 100% of the 2018 base salary for the CFO (\$11,475 to \$229,494), and 5% to 100% of the 2018 base salary for the EVP of Strategic Initiatives (\$11,170 to \$223,400).

The performance compensation payable under each MIP is based upon meeting corporate revenue, earnings before interest, taxes, depreciation and amortization (“EBITDA”), health and safety, and environmental compliance (permit and license violations) targets and objectives during fiscal year 2018 from our continuing operations (excluding the financial results of the Company’s majority-owned Polish subsidiary, Perma-Fix Medical (“PF Medical”)), with such targets and objectives approved by the Company’s Board. The Compensation Committee believe performance compensation payable under each of the MIPs should be based on achievement of EBITDA, a non-GAAP (Generally Accepted Accounting Principles) financial measurement, as this target provides a better indicator of operating performance as it excludes certain non-cash items. EBITDA has certain limitations as it does not reflect all items of income or cash flows that affect the Company’s financial performance under GAAP.

Performance compensation is paid on or about 90 days after year-end, or sooner, based on finalization of our audited financial statements for 2018.

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, CFO, and EVP of Strategic Initiatives 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 contained herein are qualified by reference to the respective MIPs attached as exhibits 99.1 to 99.3 to this Report.

CEO MIP:

2018 CEO performance compensation is based upon meeting corporate revenue, EBITDA, health and safety, and environmental compliance (permit and license violations) objectives during fiscal year 2018 from our continuing operations (excluding PF Medical). At achievement of 60% to 110% of each of the revenue and EBITDA targets, the potential performance compensation is payable at 5% to 50% of the 2018 base salary. For this compensation, 60% is based on the EBITDA goal, 10% on the revenue goal, 15% on the number of health and safety claim incidents that occur during fiscal year 2018, 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 2018. At achievement of 111% to 150%+ of each of the revenue and EBITDA targets, the potential performance compensation is payable at 65% to 100% of the CEO's 2018 base salary. For this compensation, the amount payable is based on the four objectives noted above, with the payment of such performance compensation being weighted more heavily toward the EBITDA objective. 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 60% 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 2018 target performance incentive compensation for our CEO is as follows:

Annualized Base Pay:	\$ 267,000
Performance Incentive Compensation Target (at 100% of MIP):	\$ 133,500
Total Annual Target Compensation (at 100% of MIP):	\$ 400,500

CFO MIP:

2018 CFO performance compensation is based upon meeting corporate revenue, EBITDA, health and safety, and environmental compliance (permit and license violations) objectives during fiscal year 2018 from our continuing operations (excluding PF Medical). At achievement of 60% to 110% of each of the revenue and EBITDA targets, the potential performance compensation is payable at 5% to 50% of the 2018 base salary. For this compensation, 60% is based on EBITDA goal, 10% on revenue goal, 15% on the number of health and safety claim incidents that occur during fiscal year 2018, 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 2018. Upon achievement of 111% to 150%+ of each of the revenue and EBITDA targets, the potential performance compensation is payable at 65% to 100% of the CFO's 2018 base salary. For this compensation, the amount payable is based on the four objectives noted above, with the payment of such performance compensation being weighted more heavily toward the EBITDA objective. 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 60% 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 2018 target performance incentive compensation for our CFO is as follows:

Annualized Base Pay:	\$ 229,494
Performance Incentive Compensation Target (at 100% of Plan):	\$ 114,747
Total Annual Target Compensation (at 100% of Plan):	\$ 344,241

EVP of Strategic Initiatives MIP:

2018 EVP of Strategic Initiatives performance compensation is based upon meeting corporate revenue, EBITDA, health and safety, and environmental compliance (permit and license violations) objectives during fiscal year 2018 from our continuing operations (excluding PF Medical). At achievement of 60% to 110% of each of the revenue and EBITDA targets, the potential performance compensation is payable at 5% to 50% of the 2018 base salary. For this compensation, 60% is based on EBITDA goal, 10% on revenue goal, 15% on the number of health and safety claim incidents that occur during fiscal year 2018, 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 2018. Upon achievement of 111% to 150%+ of each of the revenue and EBITDA targets, the EVP of Strategic Initiatives' potential performance compensation is payable at 65% to 100% of the EVP of Strategic Initiatives' 2018 base salary. For this compensation, the amount payable is based on the four objectives noted above, with the payment of such performance compensation being weighted more heavily toward the EBITDA objective. No performance incentive compensation will be payable to the EVP of Strategic Initiatives for achieving the health and safety, permit and license violation, and revenue targets unless a minimum of 60% 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 2018 target performance incentive compensation for our EVP of Strategic Initiatives is as follows:

Annualized Base Pay:	\$ 223,400
Performance Incentive Compensation Target (at 100% of Plan):	\$ 111,700
Total Annual Target Compensation (at 100% of Plan):	\$ 335,100

Section 9 – Financial Statements and Exhibits

Item 9.01 – Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	<u>2018 Management Incentive Plan for Chief Executive Officer, approved January 18, 2018, but effective January 1, 2018.</u>
99.2	<u>2018 Management Incentive Plan for Chief Financial Officer, approved January 18, 2018, but effective January 1, 2018.</u>
99.3	<u>2018 Management Incentive Plan for EVP of Strategic Initiatives, approved January 18, 2018, but effective January 1, 2018.</u>

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: January 23, 2018

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By: */s/ Ben Naccarato*

Ben Naccarato
Vice President and
Chief Financial Officer

CHIEF EXECUTIVE OFFICER AND PRESIDENT

Effective: January 1, 2018

CHIEF EXECUTIVE OFFICER AND PRESIDENT

PURPOSE: To define the compensation plan for the Chief Executive Officer (“CEO”) 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 the CEO MIP MATRIX below. Effective date of plan is January 1, 2018 and incentive will be for entire year of 2018. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

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.

CHIEF EXECUTIVE OFFICER AND PRESIDENT

Base Pay and Performance Incentive Compensation Targets

The compensation for the below named individual as follows:

Annualized Base Pay:	\$ 267,000
Performance Incentive Compensation Target (at 100% of Plan):	\$ 133,500
Total Annual Target Compensation (at 100% of Plan):	\$ 400,500

The Performance Incentive Compensation Paid is based on the CEO MIP MATRIX below.

Perma-Fix Environmental Services, Inc.
2018 Management Incentive Plan
CEO MIP MATRIX

	Performance Target Achieved						
	<u><60%</u>	<u>60%-74%</u>	<u>75%-89%</u>	<u>90%-110%</u>	<u>111%-129%</u>	<u>130%-150%</u>	<u>>150%</u>
Revenue	\$ -	\$ 1,334	\$ 6,674	\$ 13,350	\$ 19,071	\$ 26,700	\$ 32,421
EBITDA	-	8,010	40,050	80,100	114,429	160,200	194,529
Health & Safety	-	2,003	10,013	20,025	20,025	20,025	20,025
Permit & License Violations	-	2,003	10,013	20,025	20,025	20,025	20,025
	<u>\$ -</u>	<u>\$ 13,350</u>	<u>\$ 66,750</u>	<u>\$ 133,500</u>	<u>\$ 173,550</u>	<u>\$ 226,950</u>	<u>\$ 267,000</u>

- 1) Revenue is defined as the total consolidated third party top line revenue from continuing operations (excluding Perma-Fix Medical S.A. ("PF Medical") for 2018) as publicly reported in the Company's 2018 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 \$63,398,000. 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, excluding PF Medical. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target for 2018, which is \$7,682,000. 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 Controller will submit a report on a quarterly basis documenting and confirming the number of Worker's Compensation Lost Time Accidents, supported by the Worker's Compensation Loss Report provided by the company's carrier or broker. 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 2018.

Work Comp. Claim Number	Performance Target Achieved
6	60%-74%
5	75%-89%
4	90%-110%
3	111%-129%
2	130%-150%
1	>150%

- 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 during 2018 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 Achieved
6	60%-74%
5	75%-89%
4	90%-110%
3	111%-129%
2	130%-150%
1	>150%

- 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 60% of the EBITDA Target is achieved.

Performance Incentive Compensation Payment

Effective date of plan is January 1, 2018 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 exclusive of PF Medical computed prior to the calculation of bonus expense. If applicable, Incentive Compensation payments will be reduced on a pro-rata basis, so not to exceed 50% of Pretax Net Income.

ACKNOWLEDGMENT:

I acknowledge receipt of the aforementioned Chief Executive Officer and President 2018 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ Mark Duff 1/23/2018
 Mark Duff Date

/s/ Larry Shelton 1/23/2018
 Board of Directors Date

CHIEF FINANCIAL OFFICER

Effective: January 1, 2018

CHIEF FINANCIAL OFFICER

PURPOSE: To define the compensation plan for the Chief Financial Officer (“CFO”).

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 the CFO MIP MATRIX below. Effective date of plan is January 1, 2018 and incentive will be for entire year of 2018. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

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.

CHIEF FINANCIAL OFFICER

Base Pay and Performance Incentive Compensation Targets

The compensation for the below named individual as follows:

Annualized Base Pay:	\$ 229,494
Performance Incentive Compensation Target (at 100% of Plan):	\$ 114,747
Total Annual Target Compensation (at 100% of Plan):	\$ 344,241

The Performance Incentive Compensation Paid is based on the CFO MIP MATRIX below.

Perma-Fix Environmental Services, Inc.
2018 Management Incentive Plan
CFO MIP MATRIX

	Performance Target Achieved						
	<60%	60%-74%	75%-89%	90%-110%	111%-129%	130%-150%	>150%
Revenue	\$ -	\$ 1,146	\$ 5,736	\$ 11,475	\$ 16,392	\$ 22,949	\$ 27,867
EBITDA	-	6,885	34,424	68,848	98,355	137,696	167,203
Health & Safety	-	1,721	8,607	17,212	17,212	17,212	17,212
Permit & License Violations	-	1,721	8,607	17,212	17,212	17,212	17,212
	<u>\$ -</u>	<u>\$ 11,475</u>	<u>\$ 57,374</u>	<u>\$ 114,747</u>	<u>\$ 149,171</u>	<u>\$ 195,069</u>	<u>\$ 229,494</u>

- 1) Revenue is defined as the total consolidated third party top line revenue from continuing operations (excluding Perma-Fix Medical S.A. ("PF Medical") for 2018) as publicly reported in the Company's 2018 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 \$63,398,000. 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, excluding PF Medical. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target for 2018, which is \$7,682,000. 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 Controller will submit a report on a quarterly basis documenting and confirming the number of Worker's Compensation Lost Time Accidents, supported by the Worker's Compensation Loss Report provided by the company's carrier or broker. 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 2018.

Work Comp Claim Number	Performance Target Achieved
6	60%-74%
5	75%-89%
4	90%-110%
3	111%-129%
2	130%-150%
1	>150%

- 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 during 2018 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 Achieved
6	60%-74%
5	75%-89%
4	90%-110%
3	111%-129%
2	130%-150%
1	>150%

- 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 60% of the EBITDA Target is achieved.

Performance Incentive Compensation Payment

Effective date of plan is January 1, 2018 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 exclusive of PF Medical computed prior to the calculation of bonus expense. If applicable, Incentive Compensation payments will be reduced on a pro-rata basis, so not to exceed 50% of Pretax Net Income.

ACKNOWLEDGMENT:

I acknowledge receipt of the aforementioned Chief Financial Officer 2018 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ Ben Naccarato
Ben Naccarato

1/23/2018
Date

/s/ Larry Shelton
Board of Directors

1/23/2018
Date

EXECUTIVE VICE PRESIDENT OF STRATEGIC INITIATIVES

Effective: January 1, 2018

EVP OF STRATEGIC INITIATIVES

PURPOSE: To define the compensation plan for the Executive Vice President of Strategic Initiatives (“EVP of Strategic Initiatives”).

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 the EVP OF STRATEGIC INITIATIVES MIP MATRIX below. Effective date of plan is January 1, 2018 and incentive will be for entire year of 2018. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

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.

EVP OF STRATEGIC INITIATIVES

Base Pay and Performance Incentive Compensation Targets

The compensation for the below named individual as follows:

Annualized Base Pay:	\$ 223,400
Performance Incentive Compensation Target (at 100% of Plan):	\$ 111,700
Total Annual Target Compensation (at 100% of Plan):	\$ 335,100

The Performance Incentive Compensation Paid is based on the EVP OF STRATEGIC INITIATIVES MATRIX below.

Perma-Fix Environmental Services, Inc.
2018 Management Incentive Plan
EVP OF STRATEGIC INITIATIVES MIP MATRIX

	Performance Target Achieved						
	<u><60%</u>	<u>60%-74%</u>	<u>75%-89%</u>	<u>90%-110%</u>	<u>111%-129%</u>	<u>130%-150%</u>	<u>>150%</u>
Revenue	\$ -	\$ 1,116	\$ 5,584	\$ 11,170	\$ 15,957	\$ 22,340	\$ 27,127
EBITDA	-	6,702	33,510	67,020	95,743	134,040	162,763
Health & Safety	-	1,676	8,378	16,755	16,755	16,755	16,755
Permit & License Violations	-	1,676	8,378	16,755	16,755	16,755	16,755
	<u>\$ -</u>	<u>\$ 11,170</u>	<u>\$ 55,850</u>	<u>\$ 111,700</u>	<u>\$ 145,210</u>	<u>\$ 189,890</u>	<u>\$ 223,400</u>

- Revenue is defined as the total consolidated third party top line revenue from continuing operations (excluding Perma-Fix Medical S.A. ("PF Medical") for 2018) as publicly reported in the Company's 2018 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 \$63,398,000. 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.
- EBITDA is defined as earnings before interest, taxes, depreciation, and amortization from continuing operations, excluding PF Medical. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target for 2018, which is \$7,682,000. 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.
- 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 Controller will submit a report on a quarterly basis documenting and confirming the number of Worker's Compensation Lost Time Accidents, supported by the Worker's Compensation Loss Report provided by the company's carrier or broker. 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 2018.

Work Comp. Claim Number	Performance Target Achieved
6	60%-74%
5	75%-89%
4	90%-110%
3	111%-129%
2	130%-150%
1	>150%

- 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 during 2018 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 Achieved
6	60%-74%
5	75%-89%
4	90%-110%
3	111%-129%
2	130%-150%
1	>150%

- 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 60% of the EBITDA Target is achieved.

Performance Incentive Compensation Payment

Effective date of plan is January 1, 2018 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 exclusive of PF Medical computed prior to the calculation of bonus expense. If applicable, Incentive Compensation payments will be reduced on a pro-rata basis, so not to exceed 50% of Pretax Net Income.

ACKNOWLEDGMENT:

I acknowledge receipt of the aforementioned Executive Vice President of Strategic Initiatives 2018 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ Dr. Louis Centofanti
Dr. Louis Centofanti

1/23/2018
Date

/s/ Larry Shelton
Board of Directors

1/23/2018
Date

