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**UNITED STATES  
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 17, 2019

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**PERMA-FIX ENVIRONMENTAL SERVICES, INC.**

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(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

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## 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 17, 2019, 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, 2019 and applicable for year 2019. 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 150% of the 2019 base salary for the CEO (\$14,350 to \$430,500), 5% to 100% of the 2019 base salary for the CFO (\$11,762 to \$235,231), and 5% to 100% of the 2019 base salary for the EVP of Strategic Initiatives (\$11,449 to \$228,985).

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 2019 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 2019.

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:*

2019 CEO performance compensation is based upon meeting corporate revenue, EBITDA, health and safety, and environmental compliance (permit and license violations) objectives during fiscal year 2019 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 2019 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 2019, 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 2019. At achievement of 111% to 150%+ of each of the revenue and EBITDA targets, the potential performance compensation is payable at 75% to 150% of the CEO's 2019 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 2019 target performance incentive compensation for our CEO is as follows:

Annualized Base Pay:	\$	287,000
Performance Incentive Compensation Target (at 100% of MIP):	\$	143,500
Total Annual Target Compensation (at 100% of MIP):	\$	430,500

*CFO MIP:*

2019 CFO performance compensation is based upon meeting corporate revenue, EBITDA, health and safety, and environmental compliance (permit and license violations) objectives during fiscal year 2019 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 2019 base salary. For this compensation, 75% is based on EBITDA goal, 10% on revenue goal, 7.5% on the number of health and safety claim incidents that occur during fiscal year 2019, and the remaining 7.5% on the number of notices alleging environmental, health or safety violations under our permits or licenses that occur during the fiscal year 2019. 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 2019 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 2019 target performance incentive compensation for our CFO is as follows:

Annualized Base Pay:	\$	235,231
Performance Incentive Compensation Target (at 100% of Plan):	\$	117,616
Total Annual Target Compensation (at 100% of Plan):	\$	352,847

*EVP of Strategic Initiatives MIP:*

2019 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 2019 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 2019 base salary. For this compensation, 75% is based on EBITDA goal, 10% on revenue goal, 7.5% on the number of health and safety claim incidents that occur during fiscal year 2018, and the remaining 7.5% on the number of notices alleging environmental, health or safety violations under our permits or licenses that occur during the fiscal year 2019. 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 2019 target performance incentive compensation for our EVP of Strategic Initiatives is as follows:

Annualized Base Pay:	\$	228,985
Performance Incentive Compensation Target (at 100% of Plan):	\$	114,493
Total Annual Target Compensation (at 100% of Plan):	\$	343,478

*Grant of Options*

On January 17, 2019 the Company's Compensation Committee and the Board approved the grant of incentive stock options ("ISOs") from the 2017 Stock Option Plan to our named executive officers as follows: 25,000 Incentive Stock Options ("ISOs") to our Chief Executive Officer, Mark Duff; 15,000 ISOs to our Chief Financial Officer, Ben Naccarato; and 15,000 ISOs to our EVP of Strategic Initiatives, Dr. Louis Centofanti. The ISOs granted were for a contractual term of six years with one-fifth yearly vesting over a five year period. The exercise price of the ISO was \$3.15 per share, which was equal to the fair market value of the Company's common stock on the date of grant.

**Section 9 – Financial Statements and Exhibits**

**Item 9.01 – Financial Statements and Exhibits**

**(d) Exhibits**

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#"><u>2019 Management Incentive Plan for Chief Executive Officer, approved January 17, 2019, but effective January 1, 2019.</u></a>
99.2	<a href="#"><u>2019 Management Incentive Plan for Chief Financial Officer, approved January 17, 2019, but effective January 1, 2019.</u></a>
99.3	<a href="#"><u>2019 Management Incentive Plan for EVP of Strategic Initiatives, approved January 17, 2019, but effective January 1, 2019.</u></a>
99.4	<a href="#"><u>Incentive Stock Option Agreement between Perma-Fix Environmental Services, Inc. and Chief Executive Officer, dated January 17, 2019.</u></a>
99.5	<a href="#"><u>Incentive Stock Option Agreement between Perma-Fix Environmental Services, Inc. and Chief Financial Officer, dated January 17, 2019.</u></a>
99.6	<a href="#"><u>Incentive Stock Option Agreement between Perma-Fix Environmental Services, Inc. and Executive Vice President of Strategic Initiatives, dated January 17, 2019.</u></a>

**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, 2019

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By: */s/ Ben Naccarato*

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Ben Naccarato  
Vice President and  
Chief Financial Officer



CHIEF EXECUTIVE OFFICER AND PRESIDENT

Effective: January 1, 2019

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## 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, 2019 and incentive will be for entire year of 2019. 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.

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CHIEF EXECUTIVE OFFICER AND PRESIDENT

Base Pay and Performance Incentive Compensation Targets

The compensation for the below named individual as follows:

Annualized Base Pay:	\$ 287,000
Performance Incentive Compensation Target (at 100% of Plan):	\$ 143,500
Total Annual Target Compensation (at 100% of Plan):	\$ 430,500

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

Perma-Fix Environmental Services, Inc.  
2019 Management Incentive Plan  
CEO MIP MATRIX

	Performance Target Achieved						
	<u>&lt;60%</u>	<u>60%-74%</u>	<u>75%-89%</u>	<u>90%-110%</u>	<u>111%-129%</u>	<u>130%-150%</u>	<u>&gt;150%</u>
Revenue	\$ -	\$ 1,435	\$ 7,175	\$ 14,350	\$ 24,600	\$ 34,850	\$ 55,350
EBITDA	-	8,609	43,049	86,100	147,600	209,100	332,100
Health & Safety	-	2,153	10,763	21,525	21,525	21,525	21,525
Permit & License Violations	-	2,153	10,763	21,525	21,525	21,525	21,525
	<u>\$ -</u>	<u>\$ 14,350</u>	<u>\$ 71,750</u>	<u>\$ 143,500</u>	<u>\$ 215,250</u>	<u>\$ 287,000</u>	<u>\$ 430,500</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 2019 as publicly reported in the Company's 2019 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 \$63,124,000. 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 2019, which is \$6,777,000. 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 2019.

Work Comp. Claim Number	Performance Target Achieved
4	60%-74%
3	75%-89%
2	90%-110%
1	111%-129%
1	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 2019 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
4	60%-74%
3	75%-89%
2	90%-110%
1	111%-129%
1	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, 2019 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 2019 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/Mark Duff  
Mark Duff

1/21/2019  
Date

/s/Larry Shelton  
Board of Directors

1/21/2019  
Date



CHIEF FINANCIAL OFFICER

Effective: January 1, 2019

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## 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, 2019 and incentive will be for entire year of 2019. 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.

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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:	\$	235,231
Performance Incentive Compensation Target (at 100% of Plan):	\$	117,616
Total Annual Target Compensation (at 100% of Plan):	\$	352,847

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

Perma-Fix Environmental Services, Inc.  
2019 Management Incentive Plan  
CFO MIP MATRIX

	Performance Target Achieved						
	<60%	60%- 74%	75%- 89%	90%- 110%	111%- 129%	130%- 150%	>150%
Revenue	\$ -	\$ 1,175	\$ 5,881	\$ 11,762	\$ 19,323	\$ 26,043	\$ 31,084
EBITDA	-	8,821	44,105	88,212	115,935	156,261	186,505
Health & Safety	-	883	4,411	8,821	8,821	8,821	8,821
Permit & License Violations	-	883	4,411	8,821	8,821	8,821	8,821
	<u>\$ -</u>	<u>\$11,762</u>	<u>\$58,808</u>	<u>\$117,616</u>	<u>\$152,900</u>	<u>\$199,946</u>	<u>\$235,231</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 2019) as publicly reported in the Company's 2019 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 \$63,124,000. 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 2019, which is \$6,777,000. 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 2019.

Work Comp. Claim Number	Performance Target Achieved
4	60%-74%
3	75%-89%
2	90%-110%
1	111%-129%
1	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 2019 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
4	60%-74%
3	75%-89%
2	90%-110%
1	111%-129%
1	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, 2019 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 2019 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/Ben Naccarato  
Ben Naccarato

1/21/2019  
Date

/s/Larry Shelton  
Board of Directors

1/21/2019  
Date





EXECUTIVE VICE PRESIDENT OF STRATEGIC INITIATIVES

Effective: January 1, 2019

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## 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, 2019 and incentive will be for entire year of 2019. 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.

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## EVP OF STRATEGIC INITIATIVES

### Base Pay and Performance Incentive Compensation Targets

The compensation for the below named individual as follows:

Annualized Base Pay:	\$ 228,985
Performance Incentive Compensation Target (at 100% of Plan):	\$ 114,493
Total Annual Target Compensation (at 100% of Plan):	\$ 343,478

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

### Perma-Fix Environmental Services, Inc. 2019 Management Incentive Plan EVP OF STRATEGIC INITIATIVES MIP MATRIX

	Performance Target Achieved						
	<u>&lt;60%</u>	<u>60%-74%</u>	<u>75%-89%</u>	<u>90%-110%</u>	<u>111%-129%</u>	<u>130%-150%</u>	<u>&gt;150%</u>
Revenue	\$ -	\$ 1,145	\$ 5,725	\$ 11,449	\$ 18,809	\$ 25,352	\$ 30,259
EBITDA	-	8,586	42,935	85,870	112,857	152,111	181,552
Health & Safety	-	859	4,293	8,587	8,587	8,587	8,587
Permit & License Violations	-	859	4,293	8,587	8,587	8,587	8,587
	<u>\$ -</u>	<u>\$ 11,449</u>	<u>\$ 57,246</u>	<u>\$ 114,493</u>	<u>\$ 148,840</u>	<u>\$ 194,637</u>	<u>\$ 228,985</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 2019) as publicly reported in the Company's 2019 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 \$63,124,000. 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 2019, which is \$6,777,000. 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 2019.

Work Comp. Claim Number	Performance Target Achieved
4	60%-74%
3	75%-89%
2	90%-110%
1	111%-129%
1	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 2019 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
4	60%-74%
3	75%-89%
2	90%-110%
1	111%-129%
1	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, 2019 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 2019 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/Louis Centofanti  
Dr. Louis Centofanti

1/21/2019  
Date

/s/Larry Shelton  
Board of Directors

1/21/2019  
Date



ISO No. \_\_\_\_\_

*PERMA-FIXENVIRONMENTAL SERVICES, INC*

2017 STOCK OPTION PLAN

INCENTIVE STOCK OPTION AGREEMENT

Participant Name: Mark Duff

Grant Date: January 17, 2019

Shares Subject to Options:

25,000

Expiration Date:

January 17, 2025

Exercise Price:

\$3.15

Vesting Schedule

Exercise Dates

Percent Exercisable

1/17

20% per year

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PERMA-FIX ENVIRONMENTAL SERVICES, INC.  
2017 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., a 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 2017 Stock Option Plan, adopted by the Board of Directors, and approved by the Company’s shareholders on July 27, 2017 (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 20% 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 fulltime 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 aggregate amount of the Exercise Price determined by multiplying the Exercise Price by the number of shares Participant desires to purchase (“Aggregate Exercise Price”). 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 Aggregate Exercise Price may be made by the following:

- (a) cash or wire transfer equal to the Aggregate Exercise Price;
- (b) certified check or bank check equal to the Aggregate Exercise Price;
- (c) other shares of Company 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;
- (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 Aggregate Exercise Price; or
- (e) by a combination of the methods described above equal to the Aggregate Exercise Price.

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 set forth on the cover page. 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/ Ben Naccarato

Name: Ben Naccarato

Title: CFO

(“Participant”)

/s/ Mark Duff

(Signature)

Mark Duff

(Please Print Name)

Exhibit "A"

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

2017 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. (the "Company").

The undersigned is delivering to the Company in payment of the Aggregate Exercise Price, the following:

- cash or wire transfer representing the Aggregate Exercise Price;
- certified check or bank check representing the Aggregate Exercise Price;
- shares of Company common stock owned by the undersigned for at least six months prior to the date of this exercise that have a Fair Market Value (as defined in the Plan) on the date of this exercise equal to the Aggregate Exercise Price for the shares of common stock purchased by the exercise of this Option;
- by requesting the Company to withhold such number of shares of common stock issuable upon exercise of the Option that have a Fair Market Value equal to the Aggregate Exercise Price for the shares of common stock being purchased upon the exercise of this Option; or
- by a combination of the methods described above equal to the Aggregate Exercise Price, as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_



ISO No. \_\_\_\_\_

*PERMA-FIXENVIRONMENTAL SERVICES, INC*

2017 STOCK OPTION PLAN

INCENTIVE STOCK OPTION AGREEMENT

Participant Name: Ben Naccarato

Grant Date: January 17, 2019

Shares Subject to Options:	<u>15,000</u>	<u>Vesting Schedule</u>	
Expiration Date:	<u>January 17, 2025</u>	<u>Exercise Dates</u>	<u>Percent Exercisable</u>
Exercise Price:	<u>\$3.15</u>	<u>1/17</u>	<u>20% per year</u>

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PERMA-FIX ENVIRONMENTAL SERVICES, INC.  
2017 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., a 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 2017 Stock Option Plan, adopted by the Board of Directors, and approved by the Company’s shareholders on July 27, 2017 (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 20% 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 fulltime 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 aggregate amount of the Exercise Price determined by multiplying the Exercise Price by the number of shares Participant desires to purchase (“Aggregate Exercise Price”). 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 Aggregate Exercise Price may be made by the following:

- (a) cash or wire transfer equal to the Aggregate Exercise Price;
- (b) certified check or bank check equal to the Aggregate Exercise Price;
- (c) other shares of Company 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;
- (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 Aggregate Exercise Price; or
- (e) by a combination of the methods described above equal to the Aggregate Exercise Price.

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 set forth on the cover page. 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/Mark Duff

Name: Mark Duff

Title: President and CEO

(“Participant”)

/s/Ben Naccarato

(Signature)

Ben Naccarato

(Please Print Name)

Exhibit "A"

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

2017 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. (the "Company").

The undersigned is delivering to the Company in payment of the Aggregate Exercise Price, the following:

- cash or wire transfer representing the Aggregate Exercise Price;
- certified check or bank check representing the Aggregate Exercise Price;
- shares of Company common stock owned by the undersigned for at least six months prior to the date of this exercise that have a Fair Market Value (as defined in the Plan) on the date of this exercise equal to the Aggregate Exercise Price for the shares of common stock purchased by the exercise of this Option;
- by requesting the Company to withhold such number of shares of common stock issuable upon exercise of the Option that have a Fair Market Value equal to the Aggregate Exercise Price for the shares of common stock being purchased upon the exercise of this Option; or
- by a combination of the methods described above equal to the Aggregate Exercise Price, as follows:

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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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ISO No. \_\_\_\_\_

*PERMA-FIXENVIRONMENTAL SERVICES, INC*

2017 STOCK OPTION PLAN

INCENTIVE STOCK OPTION AGREEMENT

Participant Name: Louis Centofanti

Grant Date: January 17, 2019

Shares Subject to Options:	<u>15,000</u>	<u>Vesting Schedule</u>	
Expiration Date:	<u>January 17, 2025</u>	<u>Exercise Dates</u>	<u>Percent Exercisable</u>
Exercise Price:	<u>\$3.15</u>	<u>1/17</u>	<u>20% per year</u>

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PERMA-FIX ENVIRONMENTAL SERVICES, INC.  
2017 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., a 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 2017 Stock Option Plan, adopted by the Board of Directors, and approved by the Company’s shareholders on July 27, 2017 (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 20% 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 fulltime 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 aggregate amount of the Exercise Price determined by multiplying the Exercise Price by the number of shares Participant desires to purchase (“Aggregate Exercise Price”). 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 Aggregate Exercise Price may be made by the following:

- (a) cash or wire transfer equal to the Aggregate Exercise Price;
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- (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 Aggregate Exercise Price; or
- (e) by a combination of the methods described above equal to the Aggregate Exercise Price.

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.

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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.

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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.

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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/Mark Duff

Name: Mark Duff

Title: President and CEO

(“Participant”)

/s/ Louis Centofanti

(Signature)

Louis Centofanti

(Please Print Name)



Exhibit "A"  
PERMA-FIX ENVIRONMENTAL SERVICES, INC.  
2017 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. (the "Company").

The undersigned is delivering to the Company in payment of the Aggregate Exercise Price, the following:

- cash or wire transfer representing the Aggregate Exercise Price;
- certified check or bank check representing the Aggregate Exercise Price;
- shares of Company common stock owned by the undersigned for at least six months prior to the date of this exercise that have a Fair Market Value (as defined in the Plan) on the date of this exercise equal to the Aggregate Exercise Price for the shares of common stock purchased by the exercise of this Option;
- by requesting the Company to withhold such number of shares of common stock issuable upon exercise of the Option that have a Fair Market Value equal to the Aggregate Exercise Price for the shares of common stock being purchased upon the exercise of this Option; or
- by a combination of the methods described above equal to the Aggregate Exercise Price, as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_

