

**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 16, 2020

**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

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, Par Value \$.001 Per Share	PESI	NASDAQ Capital Markets

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.

#### New Executive Officer of the Company

##### *Executive Vice President (“EVP”) of Nuclear and Technical Services*

On January 16, 2020, Perma-Fix Environmental Services, Inc.’s (the “Company”) Board of Directors (the “Board”) elected Mr. Andy Lombardo (age 60) to the position of EVP of Nuclear and Technical Services and an executive officer of the Company. Since joining the Company in 2011, Mr. Lombardo has held the positions of Senior Vice President of Nuclear and Technical Services of a subsidiary of the Company.

Mr. Andrew Lombardo, a Certified Health Physicist (“CHP”), has over 35 years of management and technical experience in the commercial nuclear reactor market, the U.S Department of Energy (“DOE”) and the U.S. Department of Defense (“DOD”) environmental and construction markets as a senior director, senior project manager, senior CHP and chemist. Prior to joining the Company, Mr. Lombardo held the position of Vice President of Technical Services for Safety and Ecology Corporation (“SEC”) prior to the acquisition of SEC by the Company in 2011. In his positions with both the Company and SEC, Mr. Lombardo procured and performed greater than \$20M a year in health physics and radioactive material management projects across the DOE and DOD complex while managing a professional staff of engineers and health physicists and an instrumentation laboratory. Prior to his employment with the Company and SEC, he managed decommissioning projects for two engineering firms which included the successful deployment of soil segregation technology, resulting in client savings of more than \$100M in transportation and disposal costs. During this time, he developed an expertise characterizing and managing naturally occurring radioactive material (“NORM”) and technologically enhanced NORM (“TENORM”) waste streams across multiple industries including oil and gas exploration and production. As a result of his expertise, he was recently appointed to the National Council on Radiation Protection and Measurement Committee to provide a commentary on the generation and disposal of TENORM waste. Mr. Lombardo began his career as a chemist and health physicist for the Duquesne Light Company at two commercial reactor sites and one joint DOE/Naval Reactors Duquesne Light test reactor in Shippingport, PA. Mr. Lombardo is certified in comprehensive practice of health physics, has a M.S. degree in Health Physics from the University of Pittsburgh and a B.S. in Natural Sciences from Indiana University of Pennsylvania.

There is no family relationship between Mr. Lombardo and any director or executive officer of the Company.

There are no transactions involving Mr. Lombardo and the Company requiring to be reported under Item 404(a) of Regulation S-K except as disclosed below.

#### Executive Compensation:

##### Salary

On January 16, 2020, the Board, with the approval of the Compensation and Stock Option Committee (the “Compensation Committee”), approved the following salary increase for the Company’s following officers effective January 1, 2020:

- Annual base salary for Mark Duff, CEO and President, was increased to \$344,400 from \$287,000.
- Annual base salary for Ben Naccarato, who was promoted to EVP and CFO from VP and CFO, was increased to \$280,000 from \$235,231; and
- Annual base salary for Andy Lombardo, who was promoted to EVP of Nuclear and Technical Services as discussed above, was increased to \$280,000 from \$258,662, which was the amount that Mr. Lombardo was receiving prior to being named an executive officer of the Company.

Management Incentive Plans (“MIPs”)

On January 16, 2020, the Company’s Compensation Committee and the Board approved individual MIPs for the calendar year 2020 for Mark Duff, our Chief Executive Officer (the “CEO”); Ben Naccarato, our EVP and Chief Financial Officer (the “CFO”); Dr. Louis Centofanti, our EVP of Strategic Initiatives and Andy Lombardo, our EVP of Nuclear and Technical Services. The MIPs are effective January 1, 2020 and applicable for year 2020. 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 2020 base salary for the CEO (\$17,220 to \$516,600), 5% to 100% of the 2020 base salary for the CFO (\$14,000 to \$280,000), 5% to 100% of the 2020 base salary for the EVP of Strategic Initiatives (\$11,667 to \$233,336) and 5% to 100% of the 2020 base salary for the EVP of Nuclear and Technical Services (\$14,000 to \$280,000).

The performance compensation payable under each MIP for the CEO, CFO and EVP of Strategic Initiatives is based upon meeting certain 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 2020 from our operations, with such targets and objectives approved by the Company’s Board. The performance compensation payable under the MIP for the EVP of Nuclear and Technical Services is based upon meeting certain corporate revenue, EBITDA, health and safety, and cost performance index (“CPI”) (a metric used in measuring project performance) 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 the Company believes that 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 2020.

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, EVP of Strategic Initiatives and EVP of Nuclear and Technical Services 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 99.4 to this Report.

*CEO MIP:*

2020 CEO performance compensation is based upon meeting certain corporate revenue, EBITDA, health and safety, and environmental compliance (permit and license violations) objectives during fiscal year 2020 from our operations. 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 CEO’s 2020 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 2020, 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 2020. 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 2020 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 2020 target performance incentive compensation for our CEO is as follows:

Annualized Base Pay:	\$	344,400
Performance Incentive Compensation Target (at 100% of MIP):	\$	172,200
Total Annual Target Compensation (at 100% of MIP):	\$	516,600

*CFO MIP:*

2020 CFO performance compensation is based upon meeting certain corporate revenue, EBITDA, health and safety, and environmental compliance (permit and license violations) objectives during fiscal year 2020 from our operations. 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 CFO's 2020 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 2020, 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 2020. 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 2020 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 2020 target performance incentive compensation for our CFO is as follows:

Annualized Base Pay:	\$	280,000
Performance Incentive Compensation Target (at 100% of Plan):	\$	140,000
Total Annual Target Compensation (at 100% of Plan):	\$	420,000

*EVP of Strategic Initiatives MIP:*

2020 EVP of Strategic Initiatives performance compensation is based upon meeting certain corporate revenue, EBITDA, health and safety, and environmental compliance (permit and license violations) objectives during fiscal year 2020 from our operations. 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 EVP of Strategic Initiatives' 2020 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 2020, 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 2020. 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' 2020 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 2020 target performance incentive compensation for our EVP of Strategic Initiatives is as follows:

Annualized Base Pay:	\$	233,336
Performance Incentive Compensation Target (at 100% of Plan):	\$	116,668
Total Annual Target Compensation (at 100% of Plan):	\$	350,004

*EVP of Nuclear and Technical Services MIP:*

2020 EVP of Nuclear and Technical Services performance compensation is based upon meeting certain corporate revenue, EBITDA, health and safety, and CPI objectives during fiscal year 2020 from our operations. 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 EVP of Nuclear and Technical Services' 2020 base salary. For this compensation, 60% is based on EBITDA goal, 10% on revenue goal, 15% on CPI goal and the remaining 15% on the number of health and safety claim incidents that occur during fiscal year 2020. Upon achievement of 111% to 150%+ of each of the revenue and EBITDA targets, the EVP of Nuclear and Technical Services' potential performance compensation is payable at 65% to 100% of the EVP of Nuclear and Technical Services' 2020 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 Nuclear and Technical Services for achieving the health and safety, CPI target, 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 2020 target performance incentive compensation for our EVP of Nuclear and Technical Services is as follows:

Annualized Base Pay:	\$	280,000
Performance Incentive Compensation Target (at 100% of Plan):	\$	140,000
Total Annual Target Compensation (at 100% of Plan):	\$	420,000

**Section 9 – Financial Statements and Exhibits**

**Item 9.01 – Financial Statements and Exhibits**

**(d) Exhibits**

**Exhibit  
Number**

**Description**

99.1	<a href="#">2020 Management Incentive Plan for Chief Executive Officer, approved January 16, 2020, but effective January 1, 2020.</a>
99.2	<a href="#">2020 Management Incentive Plan for Chief Financial Officer, approved January 16, 2019, but effective January 1, 2020.</a>
99.3	<a href="#">2020 Management Incentive Plan for EVP of Strategic Initiatives, approved January 16, 2020, but effective January 1, 2020.</a>
99.4	<a href="#">2020 Management Incentive Plan for EVP of Nuclear and Technical Services, approved January 16, 2020, but effective January 1, 2020.</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 22, 2020

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, 2020

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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, 2020 and incentive will be for entire year of 2020. 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:	\$	344,400
Performance Incentive Compensation Target (at 100% of Plan):	\$	172,200
Total Annual Target Compensation (at 100% of Plan):	\$	516,600

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

Perma-Fix Environmental Services, Inc.  
2020 Management Incentive Plan  
CEO MIP MATRIX

	Performance Target Achieved						
	<60%	60%-74%	75%-89%	90%-110%	111%-129%	130%-150%	>150%
Revenue	\$ -	\$ 1,722	\$ 8,610	\$ 17,220	\$ 29,520	\$ 41,820	\$ 66,420
EBITDA	-	10,332	51,660	103,320	177,120	250,920	398,520
Health & Safety	-	2,583	12,915	25,830	25,830	25,830	25,830
Permit & License Violations	-	2,583	12,915	25,830	25,830	25,830	25,830
	<u>\$ -</u>	<u>\$ 17,220</u>	<u>\$ 86,100</u>	<u>\$ 172,200</u>	<u>\$ 258,300</u>	<u>\$ 344,400</u>	<u>\$ 516,600</u>

- 1) Revenue is defined as the total consolidated third-party top line revenue as publicly reported in the Company's 2020 financial statements. The percentage achieved is determined by comparing the actual consolidated revenue for 2020 to the Board approved Revenue Target for 2020, which is \$86,201,000. 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 and discontinued operations, including PF Medical. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target for 2020, which is \$6,913,000. 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 2020.

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 2020 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, 2020 and incentive will be for entire year. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

In no event will Performance Incentive Compensation paid to all Executive Officers as a group exceed 50% of Pretax Net Income computed prior to the calculation of bonus expense. 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 2020 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ Mark Duff 1-21-2020  
 Mark Duff Date

/s/ Larry Shelton 1-21-2020  
 Board of Directors Date

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EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Effective: January 1, 2020

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EXECUTIVE VICE PRESIDENT AND 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, 2020 and incentive will be for entire year of 2020. 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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EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Base Pay and Performance Incentive Compensation Targets

The compensation for the below named individual as follows:

Annualized Base Pay:	\$	280,000
Performance Incentive Compensation Target (at 100% of Plan):	\$	140,000
Total Annual Target Compensation (at 100% of Plan):	\$	420,000

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

Perma-Fix Environmental Services, Inc.  
2020 Management Incentive Plan  
CFO MIP MATRIX

	Performance Target Achieved						
	<60%	60%-74%	75%-89%	90%-110%	111%-129%	130%-150%	>150%
Revenue	\$ -	\$ 1,400	\$ 7,000	\$ 14,000	\$ 23,000	\$ 31,000	\$ 37,000
EBITDA	-	10,500	52,500	105,000	138,000	186,000	222,000
Health & Safety	-	1,050	5,250	10,500	10,500	10,500	10,500
Permit & License Violations	-	1,050	5,250	10,500	10,500	10,500	10,500
	<u>\$ -</u>	<u>\$ 14,000</u>	<u>\$ 70,000</u>	<u>\$ 140,000</u>	<u>\$ 182,000</u>	<u>\$ 238,000</u>	<u>\$ 280,000</u>

- 1) Revenue is defined as the total consolidated third-party top line revenue as publicly reported in the Company's 2020 financial statements. The percentage achieved is determined by comparing the actual consolidated revenue for 2020 to the Board approved Revenue Target for 2020, which is \$86,201,000. 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 and discontinued operations, including PF Medical. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target for 2020, which is \$6,913,000. 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 2020.

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 2020 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, 2020 and incentive will be for entire year. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

In no event will Performance Incentive Compensation paid to all Executive Officers as a group exceed 50% of Pretax Net Income computed prior to the calculation of bonus expense. 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 2020 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ Ben Naccarato

Ben Naccarato

1/20/2020

Date

/s/ Larry Shelton

Board of Directors

1/21/2020

Date





EXECUTIVE VICE PRESIDENT OF STRATEGIC INITIATIVES

Effective: January 1, 2020

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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, 2020 and incentive will be for entire year of 2020. 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:	\$	233,336
Performance Incentive Compensation Target (at 100% of Plan):	\$	116,668
Total Annual Target Compensation (at 100% of Plan):	\$	350,004

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

Perma-Fix Environmental Services, Inc.  
2020 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	\$ -	\$ 1,167	\$ 5,833	\$ 11,667	\$ 19,167	\$ 25,834	\$ 30,834
EBITDA	-	8,750	43,751	87,501	115,001	155,002	185,002
Health & Safety	-	875	4,375	8,750	8,750	8,750	8,750
Permit & License Violations	-	875	4,375	8,750	8,750	8,750	8,750
	<u>\$ -</u>	<u>\$ 11,667</u>	<u>\$ 58,334</u>	<u>\$ 116,668</u>	<u>\$ 151,668</u>	<u>\$ 198,336</u>	<u>\$ 233,336</u>

- 1) Revenue is defined as the total consolidated third-party top line revenue as publicly reported in the Company's 2020 financial statements. The percentage achieved is determined by comparing the actual consolidated revenue for 2020 to the Board approved Revenue Target for 2020, which is \$86,201,000. 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 and discontinued operations, including PF Medical. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target for 2020, which is \$6,913,000. 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 2020.

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 2020 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, 2020 and incentive will be for entire year. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

In no event will Performance Incentive Compensation paid to all Executive Officers as a group exceed 50% of Pretax Net Income computed prior to the calculation of bonus expense. 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 2020 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ Lou Centofanti 1-21-2020  
 Dr. Louis Centofanti Date

/s/ Larry Shelton 1-21-2020  
 Board of Directors Date

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EXECUTIVE VICE PRESIDENT OF NUCLEAR & TECHNICAL SERVICES

Effective: January 1, 2020

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EXECUTIVE VICE PRESIDENT OF NUCLEAR & TECHNICAL SERVICES

PURPOSE: To define the compensation plan for the EXECUTIVE VICE PRESIDENT (“EVP”) OF NUCLEAR & TECHNICAL SERVICES.

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 NUCLEAR & TECHNICAL SERVICES MIP Matrix below. Effective date of plan is January 1, 2020 and incentive will be for entire year of 2020. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

SEPARATION: If employment is separated prior to the annual incentive compensation payment date as noted above, no incentive compensation is due to the incumbent.

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

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

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EXECUTIVE VICE PRESIDENT OF NUCLEAR & TECHNICAL SERVICES

Base Pay and Performance Incentive Compensation Targets

The compensation for the below named individual as follows:

Annualized Base Pay:	\$	280,000
Performance Incentive Compensation Target (at 100% of Plan):	\$	140,000
Total Annual Target Compensation (at 100% of Plan):	\$	420,000

The Performance Incentive Compensation Target is based on the EVP of NUCLEAR & TECHNICAL SERVICES MIP Matrix below.

Perma-Fix Environmental Services, Inc.  
2020 Management Incentive Plan  
EVP OF NUCLEAR & TECHNICAL SERVICES MIP MATRIX

	Performance Target Achieved						
	<60%	60%-74%	75%-89%	90%-110%	111%-129%	130%-150%	>150%
Revenue	\$ -	\$ 1,400	\$ 7,000	\$ 14,000	\$ 20,000	\$ 28,000	\$ 34,000
EBITDA	-	8,400	42,000	84,000	120,000	168,000	204,000
Health & Safety	-	2,100	10,500	21,000	21,000	21,000	21,000
Cost Performance Incentive	-	2,100	10,500	21,000	21,000	21,000	21,000
	<u>\$ -</u>	<u>\$ 14,000</u>	<u>\$ 70,000</u>	<u>\$ 140,000</u>	<u>\$ 182,000</u>	<u>\$ 238,000</u>	<u>\$ 280,000</u>

- 1) Revenue is defined as the total consolidated third-party top line revenue as publicly reported in the Company's 2020 financial statements. The percentage achieved is determined by comparing the actual consolidated revenue for 2020 to the Board approved Revenue Target for 2020, which is \$86,201,000. 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 and discontinued operations, including PF Medical. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target for 2020, which is \$6,913,000. 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 in the Company's Services Segment, 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 2020.

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) Cost Performance incentive is earned/determined by maintaining project performance metrics for all Firm Fixed Price task orders and projects to include monitoring Cost Performance Index (CPI) based on recognized earned value calculations. As defined through monthly project reviews, all CPI metrics should exceed 1.0 for Nuclear Services Projects. A cumulative CPI (CCPI) will be calculated from all fixed cost contracts. The following CCPI and corresponding Performance Target Thresholds have been established for annual incentive compensation plan calculation for 2020.

CPI (if CCPI is)	Performance Target Achieved
<.60	(n/a)
0.60-0.74	60%-74%
0.75-0.89	75%-89%
0.90-1.10	90%-110%
1.11-1.29	111%-129%
1.30-1.50	130%-150%
>1.50	>150%

- 5) No performance incentive compensation will be payable for achieving the health and safety, and CPI, 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, 2020. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on final Form 10-K financial statement.

In no event will Performance Incentive Compensation paid to all Executive Officers as a group exceed 50% of Pretax Net Income computed prior to the calculation of bonus expense. 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 EVP OF NUCLEAR & TECHNICAL SERVICES 2020 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ <i>Andy Lombardo</i>	1/21/2020
Andrew Lombardo	Date
/s/ <i>Larry Shelton</i>	1/21/2020
Board of Directors	Date

