

**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 18, 2024

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

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

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

Not applicable

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

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

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

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

Title of Each Class	Trading Symbol	Name of each exchange on which registered
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

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

Management Incentive Plans (“MIPs”)

On January 18, 2024, the Compensation and Stock Option Committee (the “Compensation Committee”) of Perma-Fix Environmental Services, Inc. (the “Company”) recommended approval of, and the Company’s Board of Directors approved, with Mark Duff and Dr. Louis Centofanti abstaining, individual MIPs for the calendar year 2024 for Mark Duff, our Chief Executive Officer (the “CEO”); Ben Naccarato, our Executive Vice President (“EVP”) and Chief Financial Officer (“CFO”); Dr. Louis Centofanti, our EVP of Strategic Initiatives; and Richard Grondin, our EVP of Waste Treatment Operations (collectively, the “Executive Officers”). Each of the MIPs is effective January 1, 2024 and applicable for the 2024 calendar year. Each MIP provides guidelines for the calculation of annual cash incentive-based compensation, subject to Compensation Committee oversight and modification.

The performance compensation under the MIP for each Executive Officer is based upon meeting certain separate target objectives during 2024 as described in the separate MIPs for each of the Executive Officers, attached to this Report as Exhibits 99.1 to 99.4, incorporated herein by reference.

All of the 2024 MIPs include revenue and EBITDA (earnings before interest, taxes, depreciation and amortization) targets, which in the Compensation Committee’s expectation for performance would warrant payment of an incentive cash compensation. EBITDA is a non-GAAP measure. In formulating such targets, the Compensation Committee and the Board considered 2023 results, the Board-approved budget for 2024, economic conditions, and forecasts for 2024 government spending. Other performance criteria for all Executive Officers other than the EVP and Chief Financial Officer include health, safety, and compliance statistics, as well as permit and license violations. In addition to performance targets for revenue and EBITDA, the 2024 MIP for the EVP and CFO includes a performance incentive for meeting regulatory filings deadlines for Form 10-Ks, Form 10-Qs and Form 8-Ks as required by the Securities and Exchange Commission.

Total potential target performance compensation is determined based on the percentage of the target achieved. The total potential target performance compensation

payable ranges from 25% to 150% of the 2024 base salary for the CEO (\$104,287 to \$625,733), 29% to 100% of the 2024 base salary for the CFO (\$95,681 to \$332,811), 25% to 100% of the 2024 base salary for the EVP of Strategic Initiatives (\$69,337 to \$277,346), and 25% to 100% (\$71,317 to \$285,267) of the 2024 base salary for the EVP of Waste Treatment Operations.

Performance compensation amounts under the 2024 MIPs are to be paid on or about 90 days after year-end, or sooner, based on finalization of our audited financial statements for 2024.

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

The total to be paid to the Executive Officers under the MIPs, in the aggregate, may not exceed 50% of the Company's pre-tax net income prior to the calculation of performance compensation. Additionally, no performance incentive compensation will be payable for any of the performance targets unless a minimum of 75% of the EBITDA Target is achieved.

The descriptions of the 2024 MIPs contained herein are qualified by reference to the respective MIPs attached to this Report as exhibits 99.1 to 99.4.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit	Description
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99.1	2024 Management Incentive Plan for Chief Executive Officer, approved January 18, 2024, but effective January 1, 2024.
99.2	2024 Management Incentive Plan for Chief Financial Officer, approved January 18, 2024, but effective January 1, 2024.
99.3	2024 Management Incentive Plan for EVP of Strategic Initiatives, approved January 18, 2024, but effective January 1, 2024.
99.4	2024 Management Incentive Plan for EVP of Waste Treatment Operations, approved January 18, 2024, but effective January 1, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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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, 2024

PERMA-FIX ENVIRONMENTAL SERVICES, INC.

By: /s/ Ben Naccarato

Ben Naccarato
Executive Vice President and
Chief Financial Officer

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***CERTAIN INFORMATION IN THIS DOCUMENT HAS BEEN EXCLUDED FROM THIS PUBLIC FILING BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED**

CHIEF EXECUTIVE OFFICER AND PRESIDENT

Effective: January 1, 2024

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, 2024 and incentive will be for entire year of 2024. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on finalization of the Company’s audited financial statements for 2024.

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.

The executive officer agrees and acknowledges that the executive officer is fully bound by, and subject to, all of the terms and conditions of the Company’s Clawback Policy (as may be amended, restated, supplemented for otherwise modified from time to time).

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:	\$ 417,155
Performance Incentive Compensation Target (at 100% of Plan):	\$ 208,578
Total Annual Target Compensation (at 100% of Plan):	\$ 625,733

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

Perma-Fix Environmental Services, Inc.
2024 Management Incentive Plan
CEO MIP MATRIX

Target Objectives	Performance Target Achieved				
	75%-89%	90%-110%	111%-129%	130%-150%	>150%
Revenue	\$ 10,429	\$ 20,858	\$ 35,756	\$ 50,655	\$ 80,451
EBITDA	62,572	125,146	214,537	303,927	482,708
Health & Safety	15,643	31,287	31,287	31,287	31,287
Permit & License Violations	15,643	31,287	31,287	31,287	31,287
	<u>\$ 104,287</u>	<u>\$ 208,578</u>	<u>\$ 312,867</u>	<u>\$ 417,156</u>	<u>\$ 625,733</u>

- Revenue is defined as the total consolidated third-party top line revenue as publicly reported in the Company’s 2024 financial statements. The percentage achieved is determined by comparing the actual consolidated revenue for 2024 to the Board approved Revenue Target for 2024, which is \$[***]. 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 and discontinued operations. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target for 2024, which is \$ [***]. 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 2024.

Work Comp. Claim Number	Performance Target Achieved
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 2024 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) which includes a material financial obligation, as determined by the Company's Board of Directors in their sole discretion, to the Company.

Permit and License Violations	Performance Target Achieved
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 75% of the EBITDA Target is achieved.

Performance Incentive Compensation Payment

Effective date of plan is January 1, 2024 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 finalization of the Company's audited financial statements for 2024.

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 2024 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ Mark Duff
Mark Duff

01/19/2024
Date

/s/ Larry Shelton
Board of Directors

01/22/2024
Date

- 1) Revenue is defined as the total consolidated third-party top line revenue as publicly reported in the Company's 2024 financial statements. The percentage achieved is determined by comparing the actual consolidated revenue for 2024 to the Board approved Revenue Target for 2024, which is \$[***]. 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. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target for 2024, which is \$ [***]. 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) Regulatory Filing Incentive Target is based on meeting all deadlines (including allowable extension granted by the SEC) for the Form 10-K, Form 10-Q and 8-Ks required by SEC (Securities and Exchange Commission).
- 4) No performance incentive compensation will be payable for achieving the Regulatory Filing and revenue targets unless a minimum of 75% of the EBITDA Target is achieved.

Performance Incentive Compensation Payment

Effective date of plan is January 1, 2024 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 finalization of the Company's audited financial statements for 2024.

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 2024 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ Ben Naccarato

Ben Naccarato

01/19/2024

Date

/s/ Larry Shelton

Board of Directors

01/22/2024

Date

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EXECUTIVE VICE PRESIDENT OF STRATEGIC INITIATIVES

Effective: January 1, 2024

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, 2024 and incentive will be for entire year of 2024. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on finalization of the Company’s audited financial statements for 2024.

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.

The executive officer agrees and acknowledges that the executive officer is fully bound by, and subject to, all of the terms and conditions of the Company’s Clawback Policy (as may be amended, restated, supplemented for otherwise modified from time to time).

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:	\$	277,346
Performance Incentive Compensation Target (at 100% of Plan):	\$	138,673
Total Annual Target Compensation (at 100% of Plan):	\$	416,019

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

Perma-Fix Environmental Services, Inc.
2024 Management Incentive Plan
EVP OF STRATEGIC INITIATIVES MIP MATRIX

Target Objectives	Performance Target Achieved				
	75%-89%	90%-110%	111%-129%	130%-150%	>150%
Revenue	\$ 6,935	\$ 13,867	\$ 22,782	\$ 30,706	\$ 36,649
EBITDA	52,002	104,006	136,692	184,237	219,897
Health & Safety	5,200	10,400	10,400	10,400	10,400
Permit & License Violations	5,200	10,400	10,400	10,400	10,400
	<u>\$ 69,337</u>	<u>\$ 138,673</u>	<u>\$ 180,274</u>	<u>\$ 235,743</u>	<u>\$ 277,346</u>

- Revenue is defined as the total consolidated third-party top line revenue as publicly reported in the Company’s 2024 financial statements. The percentage achieved is determined by comparing the actual consolidated revenue for 2024 to the Board approved Revenue Target for 2024, which is \$[***]. 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 and discontinued operations. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target for 2024, which is \$ [***]. 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 2024.

Work Comp. Claim Number	Performance Target Achieved
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 2024 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) which includes a material financial obligation, as determined by the Company's Board of Directors in their sole discretion, to the Company.

Permit and License Violations	Performance Target Achieved
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 75% of the EBITDA Target is achieved.

Performance Incentive Compensation Payment

Effective date of plan is January 1, 2024 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 finalization of the Company's audited financial statements for 2024.

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 2024 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ Louis Centofanti
Dr. Louis Centofanti

01/19/2024
Date

/s/ Larry Shelton
Board of Directors

01/22/2024
Date

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EXECUTIVE VICE PRESIDENT OF WASTE TREATMENT OPERATIONS

Effective: January 1, 2024

EXECUTIVE VICE PRESIDENT OF WASTE TREATMENT OPERATIONS

PURPOSE: To define the compensation plan for the EXECUTIVE VICE PRESIDENT (“EVP”) OF WASTE TREATMENT OPERATIONS.

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 WASTE TREATMENT OPERATIONS MIP Matrix below. Effective date of plan is January 1, 2024 and incentive will be for entire year of 2024. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on finalization of the Company’s audited financial statements for 2024.

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.

The executive officer agrees and acknowledges that the executive officer is fully bound by, and subject to, all of the terms and conditions of the Company’s Clawback Policy (as may be amended, restated, supplemented for otherwise modified from time to time).

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 WASTE TREATMENT OPERATIONS

Base Pay and Performance Incentive Compensation Targets

The compensation for the below named individual as follows:

Annualized Base Pay:	\$	285,267
Performance Incentive Compensation Target (at 100% of Plan):	\$	142,634
Total Annual Target Compensation (at 100% of Plan):	\$	427,901

The Performance Incentive Compensation Target is based on the EVP of WASTE TREATMENT OPERATIONS MIP Matrix below.

Perma-Fix Environmental Services, Inc.
2024 Management Incentive Plan
EVP OF WASTE TREATMENT OPERATIONS MIP MATRIX

Target Objectives	Performance Target Achieved				
	75%-89%	90%-110%	111%-129%	130%-150%	>150%
Revenue	\$ 7,132	\$ 14,263	\$ 20,376	\$ 28,527	\$ 34,640
EBITDA	42,789	85,581	122,257	171,160	207,837
Health & Safety	10,698	21,395	21,395	21,395	21,395
Permit & License Violations	10,698	21,395	21,395	21,395	21,395
	<u>\$ 71,317</u>	<u>\$ 142,634</u>	<u>\$ 185,423</u>	<u>\$ 242,477</u>	<u>\$ 285,267</u>

- Revenue is defined as the total consolidated third-party top line revenue as publicly reported in the Company’s 2024 financial statements. The percentage achieved is determined by comparing the actual consolidated revenue for 2024 to the Board approved Revenue Target for 2024, which is \$[***]. 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 and discontinued operations. The percentage achieved is determined by comparing the actual EBITDA to the Board approved EBITDA Target for 2024, which is \$ [***]. 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 Treatment 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 2024.

Work Comp. Claim Number	Performance Target Achieved
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 2024 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) which includes a material financial obligation, as determined by the Company's Board of Directors in their sole discretion, to the Company .

Permit and License Violations	Performance Target Achieved
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 violations, and revenue targets unless a minimum of 75% of the EBITDA Target is achieved.

Performance Incentive Compensation Payment

Effective date of plan is January 1, 2024. Performance incentive compensation will be paid on or about 90 days after year-end, or sooner, based on finalization of the Company's audited financial statements for 2024.

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 WASTE TREATMENT OPERATIONS 2024 - Compensation Plan. I have read and understand and accept employment under the terms and conditions set forth therein.

/s/ Richard Grondin
Richard Grondin

01/20/2024
Date

/s/ Larry Shelton
Board of Directors

01/22/2024
Date