

## **Compensation and Stock Option Committee Charter**

**(Adopted July 10, 2014)**

There shall be a committee of the Board of Directors (the "Board") of Perma-Fix Environmental Services, Inc. (the "Company") known as the Compensation and Stock Option Committee (the "Committee"), whose purpose, composition, authority, duties, and responsibilities are as follows:

### **Purpose**

The primary purpose of the Committee shall be to act on behalf of the Board in fulfilling the Board's responsibilities to oversee the Company's compensation policies, plans and programs, including succession planning for senior executives, and to review and determine the compensation to be paid to the Company's chief executive officer, other executive officers, and directors. In addition, the Committee, except as restricted herein, has the authority to act on behalf of the Board in fulfilling the Board's responsibilities with respect to compensation-based and related disclosures including disclosures in filings required by the Securities and Exchange Commission (the "SEC"). For the purposes of this charter, the term "compensation" shall include salary, long-term incentives, bonuses, perquisites, equity incentives, severance arrangements, and other related benefits and benefit plans.

### **Composition**

The Committee shall consist of at least two members of the Board. Each member of the Committee must satisfy the following independence requirements:

- the independence requirements of The NASDAQ Stock Market ("NASDAQ") and the rules thereof;
- the non-employee director definition of Rule 16b-3 promulgated by the SEC under Section 16 of the Exchange Act of 1934, as amended (the "Exchange Act");
- the outside director definition of Section 162(m) of the Internal Revenue Code of 1986, as amended;
- the requirements set forth in Rule 10C-1 adopted by the SEC under the Exchange Act and implemented by NASDAQ; and
- all other applicable laws, regulations, or rules.

The members of the Committee and Committee's chairperson shall be appointed by and shall serve at the discretion of the Board or until the earlier of such member's death or resignation. Vacancies occurring on the Committee shall be filled by a majority vote of the Board.

### **Meetings**

The Committee shall meet as often as may be deemed necessary or appropriate in its judgment, either in person or telephonically. The Committee shall regularly report to the Board.

### **Authority**

Each member of the Committee shall have access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder. The Committee shall have the sole authority to select, retain and terminate any compensation consultants or advisors, including legal counsel, as it deems necessary to assist the Committee in the evaluation of directors, the chief executive officer, other executive officers, senior executives and equity compensation and any other matter deemed appropriate by the Committee, including authority to approve such consultant's or advisor's reasonable fees and other retention terms, all at the sole expense of the Company. The Committee shall be directly responsible for and shall have the authority to pay, at the expense of the Company, the compensation of any such consultant or advisor and ordinary administrative expenses, including expenditures for external resources that, as determined by the Committee, are necessary or appropriate in carrying out its duties. The Company must provide appropriate funding, as determined by the Committee, for payment of compensation to such consultants or advisors. The Committee shall have authority to require that any of the Company's personnel, counsel, accountants or investment bankers, or any other consultant or advisor to the Company, attend any meeting of the Committee or meet with any member of the Committee or any of its special, outside legal, accounting or other consultants or advisors. The Committee may form and delegate its authority to one or more subcommittees as appropriate.

Prior to selecting and receiving advice from any consultant, advisor, or legal counsel, the Company must take into account certain independence factors, as well as any other factors required by NASDAQ, any other applicable exchange and/or the Exchange Act and any corresponding rules or regulations as may be amended from time to time.

## Duties and Responsibilities

To implement the Committee's purpose, the Committee shall be charged with the following duties and responsibilities, with the understanding, however, that the Committee may supplement and, except as otherwise required by applicable law or the NASDAQ rules, deviate from these activities as appropriate under the circumstances:

- 1 *Overall Compensation Strategy.* The Committee shall be responsible for reviewing, modifying (as needed) and approving the overall compensation strategy and policies for the Company, including:
  - reviewing and approving corporate performance goals and objectives, which shall support and reinforce the Company's long-term strategic goals, relevant to the compensation of the Company's executive officers;
  - evaluating and approving the incentive and equity compensation plans and programs advisable for the Company, as well as evaluating and approving the modification or termination of existing plans and programs;
  - establishing policies with respect to equity compensation arrangements;
  - reviewing and approving the terms of any employment agreements, severance arrangements, change-of-control protections and any other compensatory arrangements for the Company's executive officers;
  - reviewing the Company's practices and policies of employee compensation as they relate to risk management and risk-taking incentives, to determine whether such compensation policies and practices are reasonably likely to have a material adverse effect on the Company; and
  - reviewing and considering the results of any advisory vote on executive compensation, including, if applicable, the frequency with which the Company will conduct the say on pay vote required by Section 14A of the Exchange Act.
- 2 *Compensation of Executive Officers.* The Committee shall be responsible for the following in connection with the compensation of the chief executive officer of the Company ("Chief Executive Officer") and all other executive officers of the Company:
  - reviewing and approving the individual and corporate performance goals and objectives relevant to the Chief Executive Officer's and each other executive officer's compensation;
  - evaluating the performance of the Chief Executive Officer, at least annually, in light of the approved corporate goals and objectives;
  - determining and approving the compensation and other terms of employment of the Chief Executive Officer and each other executive officer, taking into consideration the executive officer's success in achieving his or her individual performance goals and objectives and the corporate performance goals and objectives deemed relevant to the executive officer as established by the Committee, as well as in fostering a corporate culture that promotes the highest integrity and the highest ethical standards;
  - setting the base salary and incentive compensation of the Chief Executive Officer and each other executive officer based on the Committee's evaluation of the competitive compensation practices and the Chief Executive Officer's and each other executive officer performance in achieving the corporate goals established for the respective position by the Committee;
  - setting the long-term incentive component of the compensation of the Chief Executive Officer considering the Company's performance and relative shareholder return, and the value of incentive awards to chief executive officers at other comparable companies;
  - reviewing and approving any employment agreements, severance agreements, change of control agreements, any other compensatory arrangements between the Company and the Chief Executive Officer; and
  - ensuring that the Chief Executive Officer is not present at any Committee meeting during voting or deliberations on with respect to the Chief Executive Officer's compensation.

In making the decisions discussed above regarding the compensatory arrangements of the Company's executive officers, other than the Chief Executive Officer, the Committee can review recommendations (including salary adjustments, bonus, and equity-based awards) presented to the Committee by the Chief Executive Officer. The Committee can exercise its discretion in accepting or modifying all such recommendations. The Chief Executive Officer may be present during Committee deliberations regarding compensation for all other executive officers.

- 1 *Compensation of Directors.* The Committee shall review and recommend to the Board the type and amount of compensation to be paid or awarded to members of the Board, including compensation for board meetings, committee and committee chair fees and equity incentives.
- 2 *Administration of Plans.* The Committee shall have full power and authority to adopt, amend and terminate the Company's stock option plans, profit sharing plans, incentive plans, deferred compensation plans, and similar programs. The Committee shall have full power and authority to administer these plans, establish guidelines, interpret plan documents, approve grants and awards, and exercise such other power and authority as may be permitted or required under such plans.
- 3 *Succession Plan.* The Committee shall review annually the succession plan for the Chief Executive Officer and other senior executives, specifically to ensure effective business continuity in the event of death, disability or any other unplanned departure of any of these corporate executives.
- 4 *Compensation Discussion and Analysis.* If required to be prepared and disclosed pursuant to the rules and regulations of the SEC, the Committee shall review and discuss with management the Company's disclosures contained under the caption "Compensation Discussion and Analysis" (the "CD&A") for use in any of the Company's annual reports on Form 10-K, registration statements, proxy statements, information statements or any other required report or filing and make the recommendation to the Board that the CD&A be approved for inclusion therein.

- 5 *Committee Report.* If required to be prepared and disclosed pursuant to the rules and regulations of the SEC, the Committee shall prepare and review the Committee report on executive compensation to be included in the Company's proxy statement or filings with the SEC in accordance with applicable law and SEC rules and regulations.
- 6 *Annual Evaluation and Charter Review.* The Committee shall review, discuss and assess its own performance at least annually. The Committee shall also periodically review and assess the adequacy of this charter, to the extent required by NASDAQ, and recommend any proposed changes to the Board for its consideration.
- 7 *General Authority.* The Committee shall perform such other functions and have such other powers as may be necessary or appropriate in the discharge of the foregoing.