

PERMA FIX ENVIRONMENTAL SERVICES INC
Form DEF 14A
July 20, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Company T
File by a party other than the Company o

Check the appropriate box:

Preliminary proxy statement
 Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))
 Definitive proxy statement
 Definitive additional materials
 Soliciting material pursuant to §240.14a-12

Perma-Fix Environmental Services, Inc
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Company)

Payment of Filing Fee (check the appropriate box):

T No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11

1. Title of each class of securities to which transaction applies:
2. Aggregate number of securities to which transaction applies:
3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the file fee is calculated and state how it was determined):
4. Proposed aggregate offering price:
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Fee paid previously with preliminary materials.

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1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
8302 Dunwoody Place, Suite 250
Atlanta, Georgia 30350

NOTICE OF ANNUAL MEETING
To Be Held August 24, 2011

To the Stockholders of Perma-Fix Environmental Services, Inc.:

Notice is hereby given that the 2011 Annual Meeting of Stockholders (the "Meeting") of Perma-Fix Environmental Services, Inc. (the "Company") will be held at the Hilton Atlanta Airport, 1031 Virginia Avenue, Atlanta, Georgia 30354, on Wednesday, August 24, 2011, at 11:00 a.m. (EDST), for the following purposes:

1. To elect seven directors to serve until the next Annual Meeting of Stockholders or until their respective successors are duly elected and qualified (Proposal 1);
2. To ratify the appointment of BDO USA, LLP as the independent registered public accounting firm of the Company for the 2011 fiscal year (Proposal 2);
3. To approve, by non-binding vote, the 2010 compensation of our named executive officers (Proposal 3);
4. To recommend, by non-binding vote, the frequency of future advisory votes on the executive compensation (Proposal 4); and
5. To transact such other business as may properly come before the meeting and at any adjournments thereof.

Only stockholders of record at the close of business on July 8, 2011, will be entitled to notice of, and to vote at, the Meeting or at any postponement or adjournment thereof.

This Notice of Annual Meeting of Stockholders, our annual report for 2010, this 2011 Proxy Statement, and the accompanying Proxy Card are being first mailed to stockholders on July 20, 2011.

The Company's Annual Report for 2010 is enclosed for your reference.

By the order of the Board of Directors

/s/Ben Naccarato

Ben Naccarato
Secretary

Atlanta, Georgia
July 20, 2011

It is important that your shares be represented at the Meeting. Please complete, date, sign and return the accompanying Proxy or vote on the internet at www.cstproxyvote.com, whether or not you plan to attend the Meeting

in person. The enclosed return envelope requires no additional postage if mailed in the United States. If you decide to attend the Meeting, you may, if so desired, revoke the Proxy and vote in person.

PERMA-FIX ENVIRONMENTAL SERVICES, INC.
8302 Dunwoody Place, Suite 250
Atlanta, Georgia 30350

PROXY STATEMENT
FOR THE
2011 ANNUAL MEETING OF STOCKHOLDERS

Why am I receiving this Proxy Statement?

This Proxy Statement is furnished to the holders of the common stock, par value \$.001 (the "Common Stock"), of Perma-Fix Environmental Services, Inc. (the "Company", "we", "our", or "us") in connection with the solicitation on behalf of the Board of Directors of the Company (the "Board of Directors" or the "Board") of proxies to be used in voting at the 2011 Annual Meeting of Stockholders to be held at the Hilton Atlanta Airport, 1031 Virginia Avenue, Atlanta, Georgia, 30354, on Wednesday, August 24, 2011, at 11:00 a.m. (EDST), and any adjournments thereof (the "Meeting").

Who is entitled to vote at the Meeting?

Only the holders of Common Stock of record at the close of business on July 8, 2011 (the "Record Date"), will have the right to receive notice of, and be entitled to vote at, the Meeting. At the close of business on the Record Date, 55,173,586 shares of Common Stock (which excludes 38,210 treasury shares) were outstanding. Each stockholder of record, as of the Record Date, is entitled to one vote for each share of Common Stock that the stockholder owned as of the Record Date on each matter to be voted upon at the Meeting.

What vote is required to approve the matters being considered?

- Directors are elected by a plurality of the shares present in person or represented by proxy and entitled to vote at the Meeting.
- The ratification of the appointment of the independent registered public accounting firm requires the affirmative vote of a majority of the votes cast at the Meeting. Abstentions will not be counted either for or against this proposal.
- The approval of the 2010 compensation of our named executive officers requires the affirmative vote of a majority of the votes cast at the Meeting. While the Board of Directors intends to carefully consider the shareholder vote resulting from this proposal, the final vote will not be binding, and is advisory in nature. Abstentions will not be counted either for or against this proposal.
- The recommendation on the frequency of future advisory votes on executive compensation enables the stockholders to express their preference for one of three choices for future advisory votes on executive compensation—every year, every other year, or every three years. The Company will consider stockholders to have expressed a non-binding preference for the frequency option (one, two, or three years) that receives the most favorable votes. While the Board of Directors intends to carefully consider the stockholder vote resulting from this proposal, the final vote will not be binding, and is advisory in nature. Abstentions have the same effect as not expressing a preference.

How do I vote?

If you are a stockholder whose shares are registered in your name, you may vote your shares in person at the meeting or by one of the two following methods:

- Vote by Internet, by going to the web address www.cstproxyvote.com and following the instructions for Internet voting.

- Vote by Proxy Card, by completing, signing, dating and mailing the enclosed proxy card in the envelope provided. If you vote by Internet, please do not mail your proxy card.

If your shares are held in “street name” (through a broker, bank or other nominee), you may receive a separate voting instruction form with this Proxy Statement, or you may need to contact your broker, bank or other nominee to determine whether you will be able to vote electronically using the Internet.

Whether or not you plan to attend the 2011 Annual Meeting of Stockholders, please submit your vote either by internet or by written proxy card.

Can I change my mind after I vote?

Yes, you may change your mind at any time before the polls close at the Meeting. You can change your vote by:

- executing and submitting a revised proxy;
- providing a written revocation to the Secretary of the Company; or
- voting in person at the Meeting.

What constitutes a quorum?

A majority of all of the outstanding shares of Common Stock entitled to notice of, and to vote at, the Meeting, represented in person or by proxy, will constitute a quorum for the holding of the Meeting. The failure of a quorum to be represented at the Meeting will necessitate adjournment and will subject the Company to additional expense. If your proxy indicates an abstention from voting on a proposal, the shares represented will be counted as present for the purpose of determining a quorum.

Will my shares be voted if I do not provide my proxy?

No. If your shares are registered in your name, they will not be voted, unless you submit your proxy or vote in person at the Meeting. If you hold your shares directly in your own name, you must vote, either by completing, signing and delivering a proxy, voting by the internet, or attending the Meeting and voting at the Meeting.

If your stock is held in your brokerage account, you can instruct your broker how your shares should be voted. If you fail to give your broker instructions, in some cases but not others the broker may submit a “broker non-vote.”

If you are a beneficial owner whose shares are held of record by a broker, you must instruct your broker how to vote your shares. If you do not provide voting instructions, your shares will not be voted on any matter on which the broker does not have discretionary authority to vote (“non-discretionary” matter). The election of directors, the advisory vote to approve compensation of our named executive officers, and the advisory vote on the frequency of future advisory votes on the compensation of the named executive officers are non-discretionary matters. Without your voting instruction on such advisory matters, a “broker non-vote” will occur. In these cases, the broker can register your shares as being present at the Meeting for purposes of determining the presence of a quorum, but will not be able to vote on these three matters for which specific authorization is required.

Your broker is permitted to vote on your behalf on the matter of the ratification of BDO USA, LLP as the Company’s independent registered public accounting firm for the 2011 fiscal year. This matter is considered a “discretionary” matter; as such, your broker may elect to vote on your behalf even if you do not provide instruction to your broker on how to vote on this matter.

Because a “broker non-vote” is not considered to be eligible to vote, it is not counted in determining whether a proposal has been approved. It is particularly important that you, the beneficial owner, instruct your broker how you wish to vote your shares on all of the matters.

Who will count the votes?

All votes will be tabulated by the inspector of election appointed for the Meeting, who will separately tabulate affirmative and negative votes and abstentions.

Where can I find the voting results of the Meeting?

We will announce the voting results at the Meeting and publish final results in a Form 8-K to be filed with the Securities and Exchange Commission (“SEC”) within four business days of the Meeting.

Who is paying the cost of this solicitation?

The Company will pay the cost of preparing, printing, assembling, and mailing this Proxy Statement and the Proxy Card. In addition to solicitation by use of the mail, certain of the Company’s officers and employees may, without receiving additional compensation therefore, solicit the return of proxies by telephone, telegram or personal interview. We also have retained The Proxy Advisory Group, LLC to assist us in the solicitation of votes described above. We will pay The Proxy Advisory Group, LLC a base fee of \$11,500, plus customary costs and expenses for this service. The Company will reimburse brokerage houses and custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses in forwarding soliciting materials to their principals, the beneficial owners of Common Stock.

Is the stockholder list available for review?

A list of stockholders entitled to vote at the Meeting will be open to the examination of any stockholder for any purpose germane to the Meeting during ordinary business hours commencing 10 days before the Meeting. Prior to the Meeting, the list will be maintained at our principal executive offices located at 8302 Dunwoody Place, Suite 250, Atlanta, Georgia.

PROPOSAL 1 - ELECTION OF DIRECTORS

The Company's Certificate of Incorporation, as amended, provides that each member of the Board of Directors shall hold office until the next annual meeting of stockholders and their successors have been elected and qualified or until their earlier resignation or removal. Successors to those directors whose terms have expired are required to be elected by stockholder vote. The existing Board of Directors fills vacancies for an unexpired term and any newly created directorships created by the Board of Directors' action.

The Company's Bylaws provide that the number of the Company's directors shall be at least three, and that the number of directors may be increased or decreased by action of the stockholders or the Board. The Board of Directors currently has determined that the number of directors shall be seven.

The seven directors named below have been recommended by the Corporate Governance and Nominating Committee ("Nominating Committee") to the Board of Directors for election at the Meeting to serve until the next annual meeting of the stockholders and until their respective successors are elected and qualified. All nominees are incumbent directors, except for Mr. Robert Ferguson, who had previously served as a member of the Board.

Retiring Director

Mr. Jon Colin, age 54, first became a director in December 1996. Mr. Colin is not standing for re-election, and his term expires upon the election and qualification of his successor at the Meeting.

Nominees for Directors

The following biographical information includes a discussion of the specific experience, qualifications, attributes or skills that led to the conclusion by our Corporate Governance and Nominating Committee that each of the nominees is qualified to serve as one of our Directors:

Dr. Louis F.
Centofanti
Age: 67

Dr. Centofanti has served as Board Chairman since joining the Company in February 1991. Dr. Centofanti also served as Company President and Chief Executive Officer (February 1991 to September 1995) and again in March 1996 was elected Company President and Chief Executive Officer. From 1985 until joining the Company, Dr. Centofanti served as Senior Vice President of USPCI, Inc., a large hazardous waste management company, where he was responsible for managing the treatment, reclamation and technical groups within USPCI. In 1981 he founded PPM, Inc. (later sold to USPCI), a hazardous waste management company specializing in treating PCB contaminated oils. From 1978 to 1981, Dr. Centofanti served as Regional Administrator of the U.S. Department of Energy for the southeastern region of the United States. Dr. Centofanti has a Ph.D. and a M.S. in Chemistry from the University of Michigan, and a B.S. in Chemistry from Youngstown State University.

As founder of Perma-Fix, PPM, Inc., and senior executive leader at USPCI, Dr. Centofanti combines extensive business experience in the waste management industry with a drive for innovative technology which is critical for a waste management company. In addition, his prior service in the government sector provides a unique perspective necessary for the continued growth of the Company, particularly within the Company's Nuclear Segment business. Dr.

Centofanti's comprehensive knowledge of the Company and the industry in which we operate, coupled with his drive for innovation and excellence, enhance his ability to optimize our role in our competitive, evolving markets.

Robert L.
Ferguson
Age: 78

Mr. Ferguson previously served as a member of the Board from August 2007 to February 2010. Mr. Ferguson was initially nominated to serve as a director in connection with the June 2007 acquisition by the Company of Nuvotec (n/k/a Perma-Fix Northwest, Inc. (“PFNW”)) and its subsidiary, Pacific EcoSolutions, Inc. (“PEcoS”) (n/k/a Perma-Fix Northwest Richland, Inc. (“PFNWR”)) (See “Board Independence” and “Certain Relationships and Related Transactions – Mr. Robert L. Ferguson”). Mr. Ferguson served as President of Columbia Nuclear, LLC, from 2008 to 2009. He has served as a director of Vivid Learning System, a publicly traded company specializing in online safety training, compliance training programs and learning solutions, since 1995. Mr. Ferguson also has served as a director for Plasma Biofuel, Inc., a privately held corporation, since 2008. Mr. Ferguson served as Chief Executive Officer and Chairman of the Board of Directors of Nuvotec and PEcoS from December 1998 until its acquisition by us. Mr. Ferguson has over 45 years of management and technical experience in the government and private sectors. He served as Chairman of the Board of Technical Resources International, Inc. from 1995 to 1998, Chairman of the Board for UNC Nuclear Industries, Inc. from 1983 to 1985, and CEO for Washington Public Power Supply System from 1980 to 1983. His government experience from 1961 to 1980 includes various roles for the Atomic Energy Commission, the Energy Research and Development Administration, and the U.S. Department of Energy, including his last assignment as Deputy Assistant Secretary of Nuclear Reactor Programs. Mr. Ferguson also served on the Board of British Nuclear Fuels Inc. He was a founder of Columbia Trust Bank, where he served as a director prior to its acquisition by American West Bank. Mr. Ferguson received his B.S. in Physics from Gonzaga University and attended the US Army Ordnance Guided Missile School, the Oak Ridge School of Reactor Technology, and the Federal Executive Institute.

Mr. Ferguson possesses a broad understanding of the Company through his previous experience as a member of the Board. He has extensive experience in both the government and public sectors, including the nuclear industry in which we operate. Mr. Ferguson’s business experience and acumen will provide valuable insight to the Company’s growth, particularly within the Company’s Nuclear Segment business.

Jack Lahav
Age: 62

Jack Lahav, a director since September 2001, is a private investor, specializing in launching and growing businesses. Mr. Lahav devotes much of his time to charitable activities, serving as president as well as board member of several charities. Previously, Mr. Lahav founded Remarkable Products Inc. and served as its president from 1980 to 1993. Mr. Lahav co-founded Lamar Signal Processing, Inc., a digital signal processing company, was president of Advanced Technologies, Inc., a robotics company, and director of Vocaltec Communications, Ltd., a publicly-traded telecom equipment provider. From 2001 to 2004, Mr. Lahav served as Chairman of Quigo Technologies, Inc., a private search-engine marketing company acquired by AOL in December 2007. Mr. Lahav currently serves as Chairman of Phoenix Audio Technologies, a private company that provides audio communication solutions for VoIP and other internet applications, and Doclix Inc, a privately-held internet marketing company.

Having launched a number of successful businesses, Mr. Lahav has established a record of success in developing and growing a business. His “know how” enables him to provide important perspectives to the Board relating to a variety of business challenges. His commitment to charitable organizations provides a unique component of a well-rounded Board.

Honorable Joe R. Reeder
Age: 63

Mr. Reeder, a director since April 2003, served as the Shareholder-in-Charge of the Mid-Atlantic Region (1999-2008) for Greenberg Traurig LLP, one of the nation's largest law firms, with 29 offices and over 1,800 attorneys worldwide. He is currently a shareholder in the law firm. His clientele includes sovereign nations, international corporations, and law firms throughout the U.S. As the 14th Undersecretary of the U.S. Army (1993-97), Mr. Reeder also served for three years as Chairman of the Panama Canal Commission's Board of Directors where he oversaw a multibillion-dollar infrastructure program. He serves on the boards of the National Defense Industry Association (NDIA) (and chairs NDIA's Ethics Committee), the Armed Services YMCA, the USO, and many other private companies and charitable organizations. For seven years, he served in the role of successive appointments by Governors Mark Warner and Tim Kaine as Chairman of two Commonwealth of Virginia military boards. Mr. Reeder is also a frequent television commentator on legal and national security issues. Among other corporate positions, he has been a director since September 2005 for ELBIT Systems of America, LLC, a NASDAQ company that provides product and system solutions focusing on defense, homeland security, and commercial aviation. Mr. Reeder also was a member of the Corporate Advisory Board for ICX Technologies, a publicly traded company specializing in development and integration of advanced sensor technologies for homeland security and commercial applications, from April 2007 to July 2008. A graduate of West Point who served in the 82d Airborne Division following Ranger School, Mr. Reeder earned his J.D. from the University of Texas and his L.L.M. from Georgetown University.

Mr. Reeder has a distinguished career in providing solutions to complex problems involving substantial domestic and international concerns. He has demonstrated extensive knowledge and problem-solving background, particularly related to our Nuclear Segment, which skills enhance the Board's ability to address challenging issues in the nuclear market.

Larry M. Shelton
Age: 57

Mr. Shelton, a director since July 2006, currently is the chief financial officer of S K Hart Management, LC, an investment holding company. He has held this position since 1999. Mr. Shelton has over 18 years of experience as financial executive officer for several waste management companies. He was Chief Financial Officer of Envirocare of Utah, Inc. (1995-1999), and Chief Financial Officer of USPCI, Inc. (1982-1987). Mr. Shelton has served on the Board of Directors of Subsurface Technologies, Inc., a privately-held company specializing in providing environmentally sound innovative solutions for water well rehabilitation and development, since July 1989, and Pony Express Land Development, Inc., a privately-held land development company, since December 2005. Mr. Shelton has a B.A. in accounting from the University of Oklahoma.

With his years of accounting experience as Chief Financial Officer for various companies, including a number of waste management companies, Mr. Shelton combines extensive knowledge and understanding of accounting principles, financial reporting requirements, evaluating and overseeing financial reporting processes and business savvy.

Dr. Charles E. Young
Age: 79

Dr. Charles E. Young, a director since July 2003, was president of the University of Florida from November 1999 to January 2004 and chancellor of the University of California, Los Angeles (UCLA) for 29 years until his retirement in 1997. He also was the President of Qatar Foundation from 2004 to November 2005. In addition, from December 2009 to June 2010, he served as the Chief Executive Officer of the Los Angeles Museum of Contemporary Art. Dr. Young has chaired the Association of American Universities, and served on numerous commissions, including the American Council on Education, the National Association of State Universities and

Land-Grant Colleges, and the Business-Higher Education Forum. Dr. Young has served on the Board of Directors of I-MARK, Inc., a privately held software and professional services company since 1997. He previously served on the Board of Directors of Intel Corp. and Nicholas-Applegate Growth Equity Fund, Inc., as well as Fiberspace, Inc., a privately-held company that designs and manufacturers stabilized laser products, Student Advantage, Inc., an integrated media and commerce company, and AAFL Enterprises, a sports development company. Dr. Young has a Ph.D. and M.A. in political science from UCLA and a B.A. from the University of California at Riverside.

Having presided over two major universities with multi-billion budgets and myriad educational foundations, and as a board member for a publicly-held multi-billion dollar corporation, Dr. Young brings unique perspectives and extensive experience to our Board. His savvy in the process of policy making and long-term leadership development provides a valuable component of a well-rounded Board.

Mark A.
Zwecker
Age: 60

Mark Zwecker, a Director since the Company's inception in January 1991, assumed the position of Director of Finance in 2006 for Communications Security and Compliance Technologies, Inc., a software company developing security products for the mobile workforce, and also serves as an advisor to Plum Combustion, Inc., an engineering and manufacturing company developing high performance combustion technology. From 1997 to 2006, Mr. Zwecker served as president of ACI Technology, LLC, an IT services provider, and from 1986 to 1998, he served as vice president of finance and administration for American Combustion, Inc., a combustion technology solution provider. In 1983, with Dr. Centofanti, Mr. Zwecker co-founded a start-up, PPM, Inc., a hazardous waste management company. He remained with PPM, Inc. until its acquisition in 1985 by USPCI. Mr. Zwecker has a B.S. in Industrial and Systems Engineering from the Georgia Institute of Technology and an M.B.A. from Harvard University.

As a director since our inception, Mr. Zwecker's understanding of our business provides valuable insight to the Board. With years of experience in operations and finance for various companies, including a number of waste management companies, Mr. Zwecker combines extensive knowledge of accounting principles, financial reporting rules and regulations, the ability to evaluate financial results, and understanding of financial reporting processes. He has an extensive background in operating complex organizations. Mr. Zwecker's experience and background positions him well to serve as a member of our Audit Committee.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THE ELECTION OF THE SEVEN NOMINEES AS THE COMPANY'S DIRECTORS.

Board Independence

The Board of Directors has determined that each of Messrs. Lahav, Reeder, Shelton, Young, and Zwecker is an "independent director" within the meaning of the applicable NASDAQ Stock Market, Inc. rules.

Dr. Centofanti is not considered to be an "independent director" because he serves as a senior executive of the Company. The Board of Directors also does not consider Mr. Ferguson to be "independent" based on the transactions between Mr. Ferguson and us which are described under "Certain Relations and Related Transactions – Mr. Robert L. Ferguson".

Board Leadership Structure

Dr. Louis Centofanti, the Company's President and Chief Executive Officer, also holds the position of the Chairman of the Board. The Company believes such structure currently promotes the best interests of our stockholders. Dr. Centofanti's extensive knowledge of the history of the Company, its customers, and his background in our complex and unique core Nuclear Segment, enables him to provide guidance to our Board with day to day and long-term strategic business recommendations and decisions which ultimately enhance shareholder value.

Although the Company's bylaws do not formally require the designation of an independent Lead Director when the positions of Chairman and Chief Executive Officer are held by the same person, Mr. Mark Zwecker was appointed by our Board of Directors and has served as the independent Lead Director since February 2010 to enhance the Board's ability to fulfill its responsibilities independently in the best interests of the Company's stockholders. The Lead Director's role includes:

- convening and chairing meetings of the non-employee directors as necessary from time to time and Board meetings in the absence of the Chairman of the Board;
- acting as liaison between directors, committee chairs and management;
- serving as information sources for directors and management; and

- carrying out responsibilities as the Board may delegate from time to time.

Meetings and Committees of the Board of Directors

During 2010, the Board of Directors held twelve meetings, which included eight telephonic meetings. No director attended fewer than 75% of the aggregate number of meetings held by the Board of Directors and the committees on which he served during 2010. The Company does not currently have a policy with respect to the attendance of its directors at annual meetings; however, the Company encourages each of its directors to attend whenever possible. All members of our Board of Directors attended our 2010 Annual Meetings of Stockholders. The Board of Directors has an Audit Committee, Compensation and Stock Option Committee, and a Corporate Governance and Nominating Committee.

Audit Committee:

The Audit Committee assists the Board of Directors in monitoring the integrity of the financial statements of the Company, the independent auditor's qualifications and independence, the performance of the Company's internal audit function and independent auditor, and the Company's compliance with legal and regulatory requirements. In carrying out these purposes, the Audit Committee, among other things:

- appoints, evaluates, and approves the compensation of the Company's independent auditor;
- pre-approves all auditing services and permitted non-audit services;
- annually considers the qualifications and independence of the independent auditors;
- reviews recommendations of independent auditors concerning the Company's accounting principles, internal controls, and accounting procedures and practices;
 - reviews and approves the scope of the annual audit;
- reviews and discusses with the independent auditors the audited financial statements; and
- performs such other duties as set forth in the Audit Committee Charter.

The Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act, and is governed by an Audit Committee Charter. A copy of the Audit Committee Charter is available on our website at www.perma-fix.com. The Audit Committee has established procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission of concerns by employees of the Company regarding accounting or auditing matters.

The Audit Committee members during 2010 were Mark Zwecker (Chairperson), Jon Colin, and Larry Shelton. The Board of Directors has determined that each of the three members of the Audit Committee is an "audit committee financial expert" as defined by Item 407(d)(5)(ii) of Regulation S-K of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Audit Committee meets at least quarterly and at such additional times as necessary or advisable. The Audit Committee held four meetings during 2010.

Compensation and Stock Option Committee:

The Compensation and Stock Option Committee reviews and recommends to the Board of Directors the compensation and benefits of all of the Company's officers and reviews general policy matters relating to compensation and benefits of the Company's employees. The Committee also administers the Company's stock option plans. The Compensation and Stock Option Committee does not have a charter. The members of the Compensation and Stock Option Committee during 2010 were Jack Lahav (Chairperson), Jon Colin, Joe Reeder, and Dr. Charles E. Young. The

Compensation and Stock Option Committee held five meetings in 2010.

Corporate Governance and Nominating Committee:

The Corporate Governance and Nominating Committee recommends to the Board of Directors candidates to fill vacancies on the Board and the nominees for election as the directors at each annual meeting of stockholders. In making such recommendation, the Corporate Governance and Nominating Committee takes into account information provided to them from the candidate, as well as the Corporate Governance and Nominating Committee's own knowledge and information obtained through inquiries to third parties to the extent the Corporate Governance and Nominating Committee deems appropriate. Although no formal criteria are established in evaluating a candidate for board recommendation, each candidate's qualifications are reviewed to include:

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- standards of integrity, personal ethics and value, commitment, and independence of thought and judgment;
 - ability to represent the interests of the Company's shareholders;
- ability to dedicate sufficient time, energy and attention to fulfill the requirements of the position; and
- diversity of skills and experience with respect to accounting and finance, management and leadership, business acumen, vision and strategy, charitable causes, business operations, and industry knowledge.

The Corporate Governance and Nominating Committee does not assign specific weight to any particular criteria and no particular criterion is necessarily applicable to all perspective nominees. The Corporate Governance and Nominating Committee does not have a formal policy for the consideration of diversity in identifying nominees for directors. However, the Company believes that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge, and abilities that will allow the Board to fulfill its responsibilities.

Although there is no formal procedure for stockholders to recommend nominees for the Board of Directors, the Corporate Governance and Nominating Committee will consider such recommendations if received in writing, together with all of the information described below as to the person so recommended, 120 days in advance of the annual meeting of stockholders. The Committee will evaluate the qualification of the candidate using the same criteria as candidates identified by the Corporate Governance and Nominating Committee noted above, such as experience with other organizations, skills, diversity, integrity, judgment and independence, for consideration to the Board. Recommendations should be addressed to the Corporate Governance and Nominating Committee at the Company's address and provide all information relating to such person that the stockholder desires to nominate that is required to be disclosed in solicitation of proxies for the election of such nominee, including the nominee's written consent to serve as a director if so elected. If the Chairman of the Meeting determines that a person is not nominated in accordance with the nomination procedure, such nomination will be disregarded.

Members of the Corporate Governance and Nominating Committee during 2010 were Dr. Charles E. Young (Chairperson), Jack Lahav, Joe Reeder, and Larry Shelton. The Corporate Governance and Nominating Committee meet at least quarterly and at such times as necessary or advisable and held four meetings in 2010. The Corporate Governance and Nominating Committee is governed by a Corporate Governance and Nominating Committee Charter, which is available on our website at www.perma-fix.com. All members of the Corporate Governance and Nominating Committee are "independent" as that term is defined by the current NASDAQ listing standards.

Risk Oversight by Our Board

The Board is responsible for understanding the risks Company faces, what steps management is taking to manage those risks and if the steps taken are effective in managing those risks. It is also important that the Board understands what level of risk is appropriate for the Company. While the Board of Directors has the ultimate oversight responsibility for the risk management process, certain committees play an integral part in fulfilling its oversight responsibilities in certain areas of risk. In particular, the Audit Committee focuses on financial and enterprise risk exposures, including internal controls. The Audit Committee reviews and discusses with management and internal audit our major financial risk exposures, including risks related to fraud, liquidity and regulatory compliance, our policies with respect to risk assessment and risk management, and the steps management has taken to monitor and control such exposures at least quarterly and whenever warranted. The Compensation and Stock Option Committee strives to create incentives that do not encourage excessive risk-taking beyond the Company's ability to effectively identify and manage risk. To monitor such risks, the Board receives regular updates from management of higher risk activities that we face, such as our closure policies and status of our pending litigation. Each of our directors has access to our Chief Financial Officer and any other members of our management to discuss and monitor potential risks.

Code of Ethics

We have adopted a Code of Ethics that applies to all our executive officers, including our principal executive officer, principal financial officer, and controller. Our Code of Ethics is available on our website at www.perma-fix.com. If any amendments are made to the Code of Ethics or any grants of waivers are made to any provision of the Code of Ethics to any of our executive officers, we will promptly disclose the amendment or waiver and nature of such amendment or waiver on our website.

Compensation of Directors

Directors who are employees receive no additional compensation for serving on the Board of Directors or its committees. In 2010, we provided the following annual compensation to directors who are not employees:

- on the date of our 2010 Annual Meeting, each of our continuing non-employee directors was awarded options to purchase 12,000 shares of our Common Stock. The grant date fair value of each option award received by our non-employee directors was \$1.12 per share, as determined pursuant to Accounting Standards Codification (“ASC”) 718, “Compensation – Stock Compensation”;
- a monthly director fee of \$2,167;
- an additional monthly fee of \$1,833 to our Audit Committee Chair; and
- a fee of \$1,000 for each board meeting attendance and a \$500 fee for each telephonic conference call attendance.

Each director may elect to have 65% or 100% of such fees payable in Common Stock under the 2003 Outside Director Plan, with the remaining payable in cash. The terms of the 2003 Outside Directors Plan are further described below under “2003 Outside Directors Plan”.

The table below summarizes the director compensation expenses recognized by the Company for the year ended December 31, 2010.

Director Compensation

Name	Fees Earned or Paid In Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽³⁾	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Dr. Louis F. Centofanti (4)	—	—	—	—	—	—	—
Mark A. Zwecker	19,425	48,099	13,440	—	—	—	80,964
Jon Colin	—	44,667	13,440	—	—	—	58,107
Robert L. Ferguson (5)	1,816	4,498	—	—	—	—	6,314
Jack Lahav	—	44,667	13,440	—	—	—	58,107
Joe R. Reeder	6,125	36,500	13,440	—	—	—	56,065
Charles E. Young	11,725	29,033	13,440	—	—	—	54,198
Larry M. Shelton	11,900	29,467	13,440	—	—	—	54,807

(1) Under the 2003 Outside Directors Plan, each director elects to receive 65% or 100% of the director’s fees in shares of our Common Stock. The amounts set forth above represent the portion of the director’s fees paid in cash and excludes the value of the director’s fee elected to be paid in Common Stock under the 2003 Outside Director Plan, which value is included under “Stock Awards”.

(2) The number of shares of Common Stock comprising stock awards granted under the 2003 Outside Directors Plan is calculated based on 75% of the closing market value of the Common Stock as reported on the NASDAQ on the business day immediately preceding the date that the quarterly fee is due. Such shares are fully vested on the date

of grant. The value of the stock award is based on the market value of our Common Stock at each quarter end times the number of shares issuable under the award. The amount shown is the fair value of the Common Stock on the date of the award.

- (3) Options granted under the Company's 2003 Outside Director Plan resulting from re-election to the Board of Directors on September 29, 2010. Options are for a 10 year period with an exercise price of \$1.68 per share and are fully vested in six months from grant date. The value of the option award for each outside director is calculated based on the fair value of the option per share (\$1.12) on the date of grant times the number of options granted, which was 12,000, pursuant to ASC 718, "Compensation – Stock Compensation".
- (4) Dr. Centofanti, our Chief Executive Officer, does not receive additional compensation for his service as a director.
- (5) Resigned as a member of our Board of Directors effective February 27, 2010. This amount does not include consulting fees paid to Mr. Ferguson pursuant to a consulting agreement with us, dated March 2010. See "Certain Relationships and Related Transactions – Mr. Robert L. Ferguson". Mr. Ferguson is a director nominee for the 2011 Annual Meetings of Stockholders.

2003 Outside Directors Plan

We believe that it is important for our directors to have a personal interest in our success and growth and for their interests to be aligned with those of our stockholders. Therefore, under our 2003 Outside Directors Stock Plan (“2003 Directors Plan”), each outside director is granted a 10-year option to purchase up to 30,000 shares of Common Stock on the date such director is initially elected to the Board of Directors, and receives on each re-election date an option to purchase up to an additional 12,000 shares of Common Stock, with the exercise price being the fair market value of the Common Stock preceding the option grant date. No option granted under the 2003 Directors Plan is exercisable until after the expiration of six months from the date the option is granted and no option shall be exercisable after the expiration of ten years from the date the option is granted. Options to purchase 666,000 shares of Common Stock were granted and are outstanding under the 2003 Directors Plan, of which 594,000 were vested as of December 31, 2010.

As a member of the Board of Directors, each director elects to receive either 65% or 100% of the director's fee in shares of our Common Stock based on 75% of the fair market value of the Common Stock determined on the business day immediately preceding the date that the quarterly fee is due. The balance of each director's fee, if any, is payable in cash. In 2010, the fees earned by our outside directors totaled approximately \$288,000. Reimbursements of expenses for attending meetings of the Board are paid in cash at the time of the applicable Board meeting. As a management director, Dr. Centofanti is not eligible to participate in the 2003 Directors Plan. Although Dr. Centofanti is not compensated for his services provided as a director, Dr. Centofanti is compensated for his services rendered as an officer of the Company. See “EXECUTIVE COMPENSATION — Summary Compensation Table.”

As of the date of this Proxy Statement, we have issued 900,744 shares of our Common Stock in payment of director fees since the inception of the 2003 Directors Plan.

In the event of a “change of control” (as defined in the 2003 Outside Directors Stock Plan), each outstanding stock option and stock award shall immediately become exercisable in full notwithstanding the vesting or exercise provisions contained in the stock option agreement.

Communications with the Board

The Company's Board of Directors believes that it is important for the Company to have a process that enables stockholders to send communications to the Board. Accordingly, stockholders who wish to communicate with the Board of Directors or a particular director may do so by sending a letter to the Secretary of the Corporation, at 8302 Dunwoody Place, Suite 250, Atlanta, Georgia 30350. The mailing envelope must clearly indicate that the enclosed letter is a “Stockholder-Board Communication” or “Stockholder-Director Communication.” All such letters must identify the author as a stockholder and clearly state whether the intended recipients are all members of the Board of Directors or only certain specified individual directors. The Secretary of the Corporation will make copies of all such letters and circulate them to the appropriate director or directors.

Compensation Committee Interlocks and Insider Participation

During 2010, the Compensation and Stock Option Committee for our Board of Directors was composed of Jack Lahav (Chairperson), Jon Colin, Joe Reeder, and Dr. Charles E. Young. None of the members of the Compensation and Stock Option Committee has been an officer or employee of the Company or has had any related party transaction with the Company requiring disclosure under the SEC regulations in 2010.

Family Relationships

There are no family relationships between any of the Company's existing directors, executive officers, or persons nominated or chosen to become a director or executive officer. Dr. Centofanti is the only director who is the Company's employee.

Certain Relationships and Related Transactions

Our Audit Committee Charter provides for the review of any related party transactions, other than transactions involving an employment relationship with the Company, which are reviewed by the Compensation and Stock Option Committee. Although we do not have written policies for the review of related party transactions, the Audit Committee reviews transactions between the Company and its directors, executive officers, and their respective immediate family members. In approving or rejecting a proposed transaction, the Audit Committee takes into account, among other factors it deems appropriate: (1) the extent of the related person's interest in the transaction; (2) whether the transaction is on terms generally available to an unaffiliated third-party under the same or similar circumstances; (3) the cost and benefit to the Company; (4) the impact or potential impact on a director's independence in the event the related party is a director, an immediate family member of a director or an entity in which a director is a partner, stockholder or executive officer; (5) the availability of other sources for comparable products or services; (5) the terms of the transaction; and (6) the risks to the Company. Related party transactions are reviewed by the Audit Committee prior to the consummation of the transaction. With respect to a related party transaction arising between Audit Committee meetings, the Chief Financial Officer may present it to the Audit Committee Chairman, who will review and may approve the related party transaction subject to ratification by the Audit Committee at the next scheduled meeting. Our Audit Committee shall approve only those transactions that, in light of known circumstances are not inconsistent with the Company's best interest.

Lawrence Properties LLC

During March 2011, we entered into a new lease with Lawrence Properties LLC, a company jointly owned by Robert Schreiber, Jr., the President of Schreiber, Yonley and Associates, and Mr. Schreiber's spouse. Mr. Schreiber is a member of our executive management team. The new lease is for a term of five years starting June 1, 2011. The new lease replaces the prior five- year lease with Lawrence Properties LLC, which expired on June 1, 2011. Under the new lease, we pay monthly rent of approximately \$11,400, which we believe is lower than costs charged by unrelated third party landlords. Additional rent will be assessed for any increases over the new lease commencement year for property taxes or assessments and property and casualty insurance premiums.

Mr. David Centofanti

Mr. David Centofanti serves as our Director of Information Services. For such services, he received total compensation in 2010 of approximately \$185,000. Mr. David Centofanti is the son of our Chief Executive Officer and Chairman of our Board, Dr. Louis F. Centofanti. We believe the compensation received by Mr. Centofanti for his technical expertise which he provides to the Company is competitive and comparable to compensation we would have to pay to an unaffiliated third party with the same technical expertise.

Mr. Robert L. Ferguson

On June 13, 2007, we acquired Nuvotec (n/k/a Perma-Fix Northwest, Inc. or "PFNW") and Nuvotec's wholly owned subsidiary, PEcoS (n/k/a Perma-Fix Northwest Richland, Inc. or "PFNWR"), pursuant to the terms of the Merger Agreement, as amended, between us, Nuvotec, PEcoS, and our wholly owned subsidiary. At the time of the acquisition, Robert L. Ferguson was the Chairman, Chief Executive Officer, and individually or through entities controlled by him, the owner of approximately 21.29% of Nuvotec's outstanding common stock. In connection with the acquisition, Mr. Ferguson was nominated to serve as a Director and subsequently was elected as a director at our Annual Meeting of Stockholders. Mr. Ferguson served as a director until his resignation in February 2010. Mr. Ferguson has been recommended by the Corporate Governance and Nominating Committee and the Board of Directors has nominated Mr. Ferguson to stand for election as a Director at our 2011 Annual Meeting of Stockholders.

Pursuant to the terms of the Merger Agreement, as consideration for the acquisition of PFNW and PFNWR by the Company, Mr. Ferguson (or entities controlled by him):

- (a) received a total of \$224,560 cash and 192,783 shares of our Common Stock in July 2007; and
- (b) is entitled to receive 21.29% of an aggregate earn-out amount of \$4,552,000, based on the annual revenues of our Nuclear over the four year period ended on June 30, 2011. The aggregate earn-out amount has been paid and will be paid as follows:
 - (i) an aggregate \$1,734,000 in earn-out amount has been paid in cash;
 - (ii) we issued a promissory note, dated September 28, 2010, in the principle amount of \$1,322,000, which provides for 36 equal monthly payments of \$40,000, consisting of interest (annual interest rate of 6%) and principal, starting October 15, 2010; and
 - (iii) \$840,000 remains to be paid by October 2011, subject to any indemnification obligations (as defined by the Merger Agreement) which may be payable to the Company by the former shareholders of Nuvotec ("Offset Amount"). Pursuant to the Merger Agreement, the aggregate amount of any Offset Amount may total up to \$1,000,000, except an Offset Amount is unlimited as to indemnification relating to liabilities for taxes, misrepresentation or inaccuracies with respect to the capitalization of Nuvotec or PEcoS or for willful or reckless misrepresentation of any representation, warranty or covenant.

The total \$3,056,000 in earn-out amount paid to date or to be paid pursuant to the promissory note excludes approximately \$656,000 in Offset Amount;

Mr. Ferguson has agreed to acquire from Mr. William Lampson one-half of a Warrant (the "Lampson Warrant") for the purchase up to 135,000 of the Company's Common Stock at \$1.50 per share. We originally issued the Lampson Warrant to Mr. Lampson as consideration for a loan in the principal amount of \$3,000,000 on May 8, 2009 from Mr. Lampson and Mr. Diehl Rettig. The terms of the loan were amended on April 18, 2011, to provide that the remaining principal balance of \$990,000 is payable in 12 monthly principal payments plus accrued interest starting May 8, 2011. In connection with the loan amendment, the expiration date of the Lampson Warrant was extended one year to May 8, 2012. Upon the acquisition of one-half of the Lampson Warrant, Mr. Ferguson and Mr. Lampson will each hold a Warrant for the purchase of up to 67,500 shares of Common Stock at \$1.50 per share and with an expiration date of May 8, 2012.

Effective March 1, 2010, we entered into a consulting agreement with Mr. Ferguson, pursuant to which Mr. Ferguson provides consulting services to us for a monthly fee of \$4,000. We have agreed with Mr. Ferguson to terminate the consulting agreement on or before the Annual Meeting.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act, and the regulations promulgated thereunder require our executive officers and directors and beneficial owners of more than 10% of our Common Stock to file reports of ownership and changes of ownership of our Common Stock with the SEC, and to furnish us with copies of all such reports. Based solely on a review of the copies of such reports furnished to us and written information provided to us, we believe that during 2010 none of our executive officers, directors, or beneficial owners of more than 10% of our Common Stock failed to timely file reports under Section 16(a).

Audit Committee Report

The Audit Committee is responsible for providing independent objective oversight of the Company's accounting functions and internal controls. In accordance with rules adopted by the Commission, the Audit Committee of the Company states that:

- The Audit Committee has reviewed and discussed with management the Company's audited financial statements for the fiscal year ended December 31, 2010.
- The Audit Committee has discussed with BDO USA, LLP, the Company's independent registered public accounting firm, the matters required to be discussed by Statement on Auditing Standards No. 61 ("Communications with Audit Committees"), as modified or supplemented.
- The Audit Committee has received the written disclosures and the letter from BDO USA, LLP, required by Public Company Accounting Oversight Board ("PCAOB") Rule 3526, "Communication with Audit Committees Concerning Independence", as modified or supplemented, and has discussed with BDO USA, LLP, the independent registered public accounting firm's independence.

In connection with the Audit Committee's discussion with BDO USA, LLP, as described above, the Audit Committee discussed and considered the nature and scope of the non-audit services performed by BDO USA, LLP for the year ended December 31, 2010, and determined that the audit and non-audit services provided by BDO USA, LLP were compatible with maintaining the independence of BDO USA, LLP.

Based upon the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, for filing with the SEC. The Audit Committee also appointed BDO USA, LLP as the Company's independent registered public accounting firm for 2011.

This report is submitted on behalf of the members of the Audit Committee:

Mark Zwecker (Chairperson)
 Jon Colin
 Larry Shelton

The Report of the Audit Committee shall not be deemed to be “soliciting material” or to be “filed” with the SEC, nor shall it be incorporated by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates this information by reference and shall not otherwise be deemed filed under such Acts.

EXECUTIVE OFFICERS

The following table sets forth, as of the date hereof, information concerning our executive officers :

NAME	AGE	POSITION
Dr. Louis F. Centofanti	67	Chairman of the Board, President and Chief Executive Officer
Mr. Ben Naccarato	48	Chief Financial Officer, Vice President, and Secretary
Mr. James A. Blankenhorn	46	Chief Operating Officer, Vice President
Mr. Robert Schreiber, Jr.	60	President of Schreiber, Yonley & Associates (“SYA”), a subsidiary of the Company, and Principal Engineer

Dr. Louis F. Centofanti

See “Election of Directors” for further information on Dr. Centofanti.

Mr. Ben Naccarato

Mr. Naccarato has served as the Chief Financial Officer since February 26, 2009. Mr. Naccarato was appointed on October 24, 2008 by the Company’s Board of Directors as the Interim Chief Financial Officer, effective November 1, 2008. Mr. Naccarato joined the Company in September 2004 and served as Vice President, Finance of the Company’s Industrial Segment until May 2006, when he was named Vice President, Corporate Controller/Treasurer. Prior to joining the Company in September 2004, Mr. Naccarato was the Chief Financial Officer of Culp Petroleum Company, Inc., a privately held company in the fuel distribution and used waste oil industry from December 2002 to September 2004. Mr. Naccarato is a graduate of University of Toronto having received a Bachelor of Commerce and Finance Degree and is a Certified Management Accountant.

Mr. James A. Blankenhorn

Mr. Blankenhorn was appointed by the Company’s Board of Directors on February 18, 2011 as the Company’s Chief Operating Officer. Mr. Blankenhorn’s employment with the Company became effective on June 1, 2011. Mr. Blankenhorn has 24 years experience in the nuclear industry supporting U. S. Department of Defense programs, and the Department of Energy’s Environmental Management and National Nuclear Security Administration programs. Prior to joining Perma-Fix, Mr. Blankenhorn served in a variety of senior management positions at URS Corporation, a publicly traded Company which provides engineering, construction, and technical services for public agencies and private sectors. Most recently, he served as the deputy project manager for the West Valley Environmental Services, LLC, in western New York where he directed a staff of 360 in the deactivation, decommissioning and clean up of facilities at West Valley. From 2008 to early 2010, Mr. Blankenhorn was program director with Los Alamos National Security, LLC, responsible for the Waste Disposition Project at the Los Alamos National Laboratory where he supervised 440 people and was responsible for improving performance and achieving cost savings while developing a long term strategy for legacy wastes. Mr. Blankenhorn spent 18 years at the Westinghouse Savannah River Company. Since 1986, Mr. Blankenhorn has been an officer (recently promoted to a

Colonel) in the U.S. Army and Army Reserve serving in leadership positions within the U.S. Army Nuclear, Biological, Chemical and Radiological program. Mr. Blankenhorn holds a Master of Strategic Studies from the U.S. Army War College, a Master of Science degree – Environmental/Hazardous Waste Management from National Technology University, and a Bachelor of Science degree – Chemistry from the Florida Institute of Technology.

Mr. Robert Schreiber, Jr.

Mr. Schreiber has served as President of SYA since the Company acquired the environmental engineering firm in 1992. Mr. Schreiber co-founded the predecessor of SYA, Lafser & Schreiber in 1985, and held several executive roles in the firm until our acquisition of SYA. From 1978 to 1985, Mr. Schreiber was the Director of Air programs and all environmental programs for the Missouri Department of Natural Resources. Mr. Schreiber provides technical expertise in wide range of areas including the cement industry, environmental regulations and air pollution control. Mr. Schreiber has a B.S. in Chemical Engineering from the University of Missouri – Columbia.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Our long-term success depends on our ability to efficiently operate our facilities, evaluate strategic acquisitions within our Nuclear Segment, and to continue to research and develop innovative technologies in the treatment of nuclear waste, mixed waste, and industrial waste. To achieve these goals, it is important that we be able to attract, motivate, and retain highly talented individuals who are committed to our values and goals.

The Compensation and Stock Option Committee (for purposes of this analysis, the “Compensation Committee”) of the Board has responsibility for establishing, implementing and continually monitoring adherence with our compensation philosophy. The Compensation Committee ensures that the total compensation paid to the named executive officers (“NEOs”) is fair, reasonable and competitive. Generally, the types of compensation and benefits provided to the NEOs are similar to those provided to other executive officers at similar sized companies and industries.

Compensation Philosophy and Objectives

The Compensation Committee bases its executive compensation program on our performance objectives. The Compensation Committee evaluates both executive performance and compensation to ensure that we maintain our ability to attract superior employees in key positions and to remain competitive relative to the compensation paid to similarly situated executives of our peer companies. The Compensation Committee believes executive compensation packages provided to our executives, including the NEOs, should include both cash and equity-based compensation that provide rewards for performance. The Compensation Committee bases its executive compensation program on the following philosophy:

- Compensation should be based on the level of job responsibility, executive performance, and company performance.
- Executive officers’ pay should be more closely linked to company performance than that of other employees because the executive officers have a greater ability to affect our results.
- Compensation should be competitive with compensation offered by other companies (subject to size and revenues) that compete with us for talented individuals.
- Compensation should reward performance.
- Compensation should motivate executives to achieve our strategic and operational goals.

Employment Agreements; Potential Payments

The Company entered into employment agreement during May 2009 with Dr. Louis F. Centofanti, Chief Executive Officer (“CEO”) (the “CEO Agreement”) and Ben Naccarato, Chief Financial Officer (“CFO”) (the “CFO Agreement”) (together, the “Employment Agreements”).

Pursuant to the Employment Agreements, (a) Dr. Centofanti is entitled to receive an annual base salary of \$253,094 as the Company’s CEO and President, and (b) Mr. Naccarato is entitled to receive an annual base salary of \$200,000 as the Company’s CFO. Each base salary is subject to adjustment annually. In addition, each such executive officer is entitled to participate in the Company’s benefits plans and to any performance compensation payable under the Executive Management Incentive Plan (“MIP”) (see “2010 MIP” and “2011 MIP” below) in effect for each fiscal year as adopted by the Company’s Compensation Committee or Board of Directors.

The CEO Agreement and the CFO Agreement are each effective for three years, unless earlier terminated by us with or without “cause” (as defined below) or by the executive officer for “good reason” (as defined below) or any other reason. If the executive officer’s employment is terminated due to death, disability or for cause, the Company will pay to the executive officer or to his estate a lump sum equal to the sum of any unpaid base salary through the date of termination and any benefits due to the executive officer under any employee benefit plan, excluding any severance program or policy (the “Accrued Amounts”).

“Cause” as noted above is generally defined in each of the Employment Agreements as follows:

- the ultimate conviction (after all appeals have been decided) of the executive by a court of competent jurisdiction, or a plea of nolo contendere or a plea of guilty by the executive, to a felony involving a moral practice or act;
- willful or gross misconduct or gross neglect of duties by the executive, which is injurious to the Company. Failure of the executive to perform his duties due to disability shall not be considered gross misconduct or gross neglect of duties;
- act of fraud or embezzlement against the Company; and
- willful breach of any material provision of the employment agreement.

“Good reason” as noted above is generally defined in each of the Employment Agreements as follow:

- assignment to the executive of duties inconsistent with his responsibilities as they existed during the 90-day period preceding the date of the employment agreement, including status, office, title, and reporting requirement;
- any other action by the Company which results in a reduction in (i) the compensation payable to the executive, or (ii) the executive’s position, authority, duties, or other responsibilities without the executive’s prior approval;
- the relocation of the executive from his base location on the date of the employment agreement, excluding travel required in order to perform the executive’s job responsibilities;
- any purported termination by the Company of the executive’s employment otherwise than as permitted by the agreement; and
- any material breach by the Company of any provision of the employment agreement, except that an insubstantial or inadvertent breach by the Company which is promptly remedied by the Company after receipt of notice by the executive is not considered a material breach.

If the executive officer terminates his employment for “good reason” or the Company terminates the executive’s employment without cause, the Company will pay the executive officer a sum equal to the total Accrued Amounts, plus one year of full base salary. If the executive terminates his employment for a reason other than for good reason, the Company will pay to the executive the amount equal to the Accrued Amounts.

If there is a “Change in Control” (as defined below), all outstanding stock options to purchase Common Stock held by the executive officer will immediately become vested and exercisable in full.

The following table sets forth the potential (estimated) payments and benefits to which Dr. Centofanti and Mr. Naccarato would be entitled upon termination of employment or following a Change in Control of the Company, as specified under each employment agreement with the Company, assuming each circumstance described below occurred on December 31, 2010, the last day of our fiscal year.

Name and Principal Position	Potential Payment/Benefit	Disability, Death, or For Cause	Termination by Executive for Good Reason or by Company Without Cause	Change in Control of the Company
Dr. Louis Centofanti Chairman of the Board, President and Chief Executive Officer				
Severance	\$		\$ 263,000	\$
Stock Options	\$		\$	\$
Ben Naccarato Chief Financial Officer				
Severance	\$		\$ 208,000	\$
Stock Options	\$ 9,000	(1)	\$ 9,000 (1)	\$ 20,000 (2)

(1) Benefit is estimated based on the number of stock options vested as of December 31, 2010 that are in-the-money. Amount represents the difference between the exercise price and the closing price of our Common Stock as reported on NASDAQ on December 31, 2010.

(2) Benefit is estimated based on the number of stock options outstanding as of December 31, 2010 that are in-the-money. Amount represents the difference between the exercise price and the closing price of our Common Stock as reported on NASDAQ on December 31, 2010.

No performance compensation under the Company's MIP would have been payable at December 31, 2010 under any of the circumstances described on the table above. Pursuant to the 2010 MIP, if the participant's employment with the Company is voluntarily or involuntarily terminated prior to the annual payment of the MIP compensation payment period, which is on or about 90 days after year-end, or sooner, based on finalization of our financial statements for year-end, no MIP payment is payable (see "2010 MIP" for further discussion of the Company's 2010 MIP).

A "Change in Control" under the Employment Agreements is generally defined as: (a) a transaction in which any person, entity, corporation, or group (as such terms are defined in Sections 13(d)(3) and 14(d)(2) of the Exchange (other than the Company, or a profit sharing, employee ownership or other employee benefit plan sponsored by the Company or any subsidiary of the Company): (i) will purchase any of the Company's voting securities (or securities convertible into such voting securities) for cash, securities or other consideration pursuant to a tender offer, or (ii) will become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act, directly or indirectly (in one transaction or a series of transactions), of securities of the Company representing 50% or more of the total voting power of the then outstanding securities of the Company ordinarily having the right to vote in the election of directors; or (b) a change, without the approval of at least two-thirds of the Board of Directors then in office, of a majority of the Company's Board of Directors; or (c) the Company's execution of an agreement for the sale of all or substantially all of the Company's assets to a purchaser which is not a subsidiary of the Company; or (d) the Company's adoption of a plan of dissolution or liquidation; or (e) the Company's closure of the facility where the executive works; or (f) the Company's execution of an agreement for a merger or consolidation or other business combination involving the Company in which the Company is not the surviving corporation, or, if immediately following such merger or consolidation or other business combination, less than fifty percent (50%) of the surviving corporation's outstanding voting stock is held by persons who are stockholders of the Company immediately prior to such merger or

consolidation or other business combination; or (g) such event that is of a nature that is required to be reported in response to Item 5.01 of Form 8-K.

The amounts payable with respect to a termination (other than base salary and amounts otherwise payable under any Company employee benefit plan) are payable only if the termination constitutes a “separation from service” (as defined under Treasury Regulation Section 1.409A-1(h)).

Role of Executive Officers in Compensation Decisions

The Compensation Committee makes all compensation decisions for the NEOs and equity awards to all of our officers. Decisions regarding the non-equity compensation of other officers are made by the Compensation Committee, based on the recommendations of CEO.

The CEO annually reviews the performance of each of the NEOs (other than the CEO whose performance is reviewed by the Compensation Committee). Based on such reviews, the CEO presents a recommendation to the Compensation Committee, which may include salary adjustments, bonus and equity-based awards, and annual award. The Compensation Committee considers such recommendation in light of the compensation philosophy and objectives described above and the processes described below. Based on its analysis, the Compensation Committee exercises its discretion in accepting or modifying all such recommendations. The CEO is not present during the voting or deliberations of the Compensation Committee with respect to the CEO's compensation.

The Compensation Committee's Processes

The Compensation Committee has established certain processes designed to achieve our executive compensation objectives. These processes include the following:

- **Company Performance Assessment.** The Compensation Committee assesses our performance in order to establish compensation ranges and, as described below, to establish specific performance measures that determine incentive compensation under the Company's MIP. For this purpose, the Compensation Committee considers numerous measures of performance of both us and industries with which we compete, including but not limited to revenue, net income, and unbilled receivables.
- **Individual Performance Assessment.** Because the Compensation Committee believes that an individual's performance should effect an individual's compensation, the Compensation Committee seeks to encourage and reward each NEO based on achievement of individual performance goals, in addition to overall company performance measures mentioned above. With respect to the CEO, compensation is also awarded based on qualitative measures such as maintaining the safety of our facilities as well maintaining permit compliance. With respect to the CFO, the Compensation Committee takes into account improvements made in accounting and financial processes such as maintaining Sarbanes-Oxley Act of 2002 ("SOX") and SEC compliance, improving account receivable targets, system integration, and centralization of the Company's systems. In designing the compensation plan for the NEO, the Compensation Committee believes individual measures result in short and long term value to stockholders. The Compensation Committee also considers input of, and the performance analysis provided by the CEO when designing the compensation plan for the other NEOs since the CEO has daily interactions with the other NEOs and is well situated to provide valuable insight regarding the contributions made by the other NEOs. With respect to all NEOs, the Compensation Committee also exercises its judgment based on its interactions with the executive officer, such officer's contribution to our performance and other leadership achievements.
- **Peer Group Assessment.** The Compensation Committee compares our compensation program with a group of companies against which the Compensation Committee believes we compete for talented individuals (the "Peer Group"). The composition of the Peer Group is periodically reviewed and updated by the Compensation Committee. The companies currently comprising the Peer Group are Clean Harbors, Inc., American Ecology Corporation, and EnergySolutions, Inc., each of which is a waste disposal/management company. The Compensation Committee considers the Peer Group's executive compensation programs as a whole and the compensation of individual officers in the Peer Group, if job responsibilities are meaningfully similar. When comparing the Peer Group's executive compensation programs to our programs, the Compensation Committee considers that the companies within this Peer Group have substantially greater revenues than our Company, as well as subjective factors with respect to each of our NEOs. These individual subjective factors include the relative level of experience of each executive officer, the general responsibilities of each executive officer, and the relative capitalization and revenues of the Peer Group members.

The Compensation Committee believes that the Peer Group comparison assists it in attempting to structure an executive compensation program that is competitive with other companies in the industry, subject to size and revenues

of companies within the Peer Group. This process was undertaken in 2009 with respect to our CEO and CFO in setting the base salary for each such officer set forth in their respective Employment Agreements. Although our Compensation Committee makes a comparison to the Peer Group compensation, the Compensation Committee does not use the Peer Group as a benchmark for compensation of the Company's NEOs. Instead, the Compensation Committee considers the following criteria and bases its review on the following factors when reviewing the Peer Group compensation information:

- The Compensation Committee understands that our competitors generally have greater capital resources than we do and are larger businesses than we are; as a result, the Compensation Committee does not attempt to match the compensation packages offered by the Peer Group or to set our compensation packages at a certain percentage or other objective target level as compared to members of the Peer Group;

- The Compensation Committee considers what compensation package is expected to enable us to compete for talented individuals given the opportunities and compensation offered by us; and
- Our executive compensation will necessarily fall below (and sometimes significantly below) the compensation offered by members of the Peer Group due to our limited resources as compared to the resources of members of the Peer Group.

As described above, the Compensation Committee (along with our CEO) reviews the publicly available compensation disclosures of the Peer Group. However, when making its own annual compensation decisions, the Compensation Committee currently has no policy for setting our compensation levels based on or as compared to the compensation practices of such Peer Group members. Accordingly, the Company does not believe that benchmarking is currently material to the Company's compensation policies and decisions.

2010 Executive Compensation Components

For the fiscal year ended December 31, 2010, the principal components of compensation for executive officers were:

- base salary;
- performance-based incentive compensation;
- retirement and other benefits; and
- perquisites and other personal benefits.

Based on the Summary Compensation Table in this section, salary accounted for approximately 90.4% of the total compensation of the executive officers while non-equity incentive, option award, and other compensation accounted for approximately 9.6% of the total compensation of the executive officers.

Base Salary

The NEOs, other executive officers, and other employees of the Company receive a base salary during the fiscal year. Base salary ranges for executive officers are determined for each executive based on his or her position and responsibility by using market data and comparisons to the Peer Group.

During its review of base salaries for executives, the Compensation Committee primarily considers:

- market data and Peer Group comparisons;
- internal review of the executive's compensation, both individually and relative to other officers; and
- individual performance of the executive.

Salary levels are typically considered annually as part of the performance review process as well as upon a promotion or other change in job responsibility. Merit based salary increases for executives are based on the Committee's assessment of the individual's performance. Beginning in 2009, the base salary for the CEO and CFO was set forth in the Employment Agreements. The annual base salary of the CEO and CFO is subject to adjustment annually pursuant to the Employment Agreements.

Performance-Based Incentive Compensation

The Compensation Committee has the latitude to design cash and equity-based incentive compensation programs to promote high performance and achievement of our corporate objectives by Directors and the NEOs, encourage the growth of stockholder value and enable employees to participate in our long-term growth and profitability. The Compensation Committee may grant stock options and/or performance bonuses. In granting these awards, the

Compensation Committee may establish any conditions or restrictions it deems appropriate. In addition, the CEO has discretionary authority to grant stock options to certain high-performing executives or officers, with the approval of the Compensation Committee.

All awards of stock options are made at or above the market price at the time of the award. Stock options may be awarded to newly hired or promoted executives at the discretion of the Compensation Committee, following the hiring or promotion. Grants of stock options to newly hired executive officers who are eligible to receive them are generally made at the next regularly scheduled Compensation Committee meeting following their hire date.

2010 MIP

On February 25, 2010, the Company's Compensation Committee approved individual MIP for fiscal year 2010 for Dr. Louis F. Centofanti, our CEO, and Ben Naccarato, our CFO. The MIPs were effective as of January 1, 2010. 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 ranged from 50% to 87% or \$131,609 to \$230,316 of the 2010 base salary for the CEO and from 25% to 44% or \$52,000 to \$91,000 of the 2010 base salary for the CFO.

Performance compensation was to be paid on or about 90 days after year-end, or sooner, based on finalization of our financial statements for year-end. If the MIP participant's employment with the Company was voluntarily or involuntarily terminated prior to a regularly scheduled MIP compensation payment period, no MIP payment would have been payable for and after such period. The Compensation Committee retained the right to modify, change or terminate each MIP at any time and for any reason; however, the Compensation Committee did not exercise its right to modify the performance targets under the 2010 MIPs or made adjustments to how such performance targets were calculated.

CEO MIP

2010 CEO performance compensation was based upon meeting corporate financial net income, revenue, health and safety, and environmental compliance objectives during fiscal year 2010. Of the total potential performance compensation, 55% was based on net income goals, 15% on revenue goals, 15% on the number of health and safety claim incidents that occurred during fiscal year 2010, and the remaining 15% on the number of notices alleging environmental, health or safety violations under our permits or licenses that occurred during the fiscal year. The revenue and net income components were based on our board approved 2010 budget, which was \$108,030,000 and \$8,626,000, respectively. The specific components of the 2010 MIP for our CEO were as follows:

CEO MIP COMPENSATION COMPONENTS

Annualized Base Pay:	\$ 263,218
Performance Incentive Compensation Target (at 100% of Plan):	\$ 131,609
Total Annual Target Compensation (at 100% of Plan):	\$ 394,827

The Performance Incentive Compensation Target was based on the schedule below.

Target Objectives	Weights	Performance Target Thresholds					
		85%-100%	101%-120%	121%-130%	131%-140%	141%-150%	151%+
Revenue (1)	15 %	\$19,741	\$23,690	\$25,664	\$27,638	\$29,612	\$31,586
Net Income (2)	55 %	72,386	86,861	94,100	101,339	108,578	115,817
Health & Safety (3) Permit & License Violations (4)	15 %	19,741	23,690	25,664	27,638	29,612	31,586
Unbilled Receivable	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Potential Maximum (5)(6)	100 %	131,609	157,931	171,092	184,253	197,414	210,570

- 1) Revenue was defined as the total consolidated third party top line revenue as publicly reported in the Company's financial statements. The percentage achieved was determined by comparing the actual consolidated revenue to the Board approved budgeted revenue.
- 2) Net income was defined as the total consolidated pre-tax net income applicable to Common Stock as publicly reported in the Company's financial statements. Net income included all subsidiaries, corporate charges, dividends and discontinued operations. The percentage achieved was determined by comparing the actual net income to the Board approved budgeted net income.

3)The Health and Safety Incentive target was based upon the actual number of Worker’s Compensation Lost Time Accidents, as provided by the Company’s Worker’s Compensation carrier. The Corporate Treasurer submits a report on a quarterly basis documenting and confirming the number of Worker’s Compensation Lost Time Accidents, supported by the American International Group, Inc. (“AIG”) Worker’s Compensation Loss Report. Such claims are identified on the loss report as “indemnity claims.” The following number of Worker’s Compensation Lost Time Accidents and corresponding Performance Target Thresholds were established for the annual Incentive Compensation Plan calculation for 2010.

Work Comp. Claim Number	Performance Target
7	85% - 100%
6	101% - 120%
5	121% - 130%
4	131% - 140%
3	141% - 150%
2	151% - 160%
1	161% Plus

4)Permits or License Violations incentive was earned/determined according to the scale set forth below: An “official notice of non-compliance” was defined as an official communication 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 resulted in a facility’s implementation of corrective action(s).

Permit and License Violations	Performance Target
7	85% - 100%
6	101% - 120%
5	121% - 130%
4	131% - 140%
3	141% - 150%
2	151% - 160%
1	161% Plus

5)Unbilled trade receivables was the amount of unbilled reported per Form 10-Q or Form 10-K combining both the long term and current portion of unbilled. The objective for unbilled trade receivables balances older than 12/31/07 was to reduce such balances by \$2,500,000, from \$3,380,000 as of 12/31/09 to \$880,000 by 12/31/10. If objective was not met, bonus was reduced by 15%.

6)No performance incentive compensation was payable for achieving the health and safety and permit and license violation targets unless a minimum of 70% of the net income target was achieved.

CFO MIP

The CFO's 2010 performance compensation was based upon achievement of net income, administrative expense, financial oversight, centralization of accounting and information technology ("IT") functions objectives, as well as the Company's timely SEC filing of annual and quarterly reports and Form 8-Ks. Of the total potential performance compensation, 25% was based on achievement of net income goals, 15% on maintaining or reducing our budgeted administrative expense, 10% on the timeliness of the Company's annual, quarterly, and Form 8-K report filings with the SEC, 10% on financial oversight, 10% on compliance with the requirements of the SOX, and 30% on accounting centralization and IT objectives. The net income and administrative expense components were based on our board approved 2010 budget, which was \$8,626,000 and \$12,612,000, respectively. The specific components of the 2010 MIP for our CFO were as follows:

CFO MIP COMPENSATION COMPONENTS

Annualized Base Pay:	\$ 208,000
Performance Incentive Compensation Target (at 100% of Plan):	\$ 52,000
Total Annual Target Compensation (at 100% of Plan):	\$ 260,000

The Performance Incentive Compensation Target was based on the schedule below.

Objectives	Weights	Performance Target Thresholds						
		100% or less	98%-99%	96%-97%	94%-95%	92%-93%	90%-91%	88%-89%
Administrative Expenses (1)	15 %	\$7,800	\$9,360	\$9,751	\$10,531	\$11,700	\$12,480	\$13,650
		85%-100%	101%-120%	121%-130%	131%-140%	141%-150%	151%-160%	161%+
Net Income (2)	25 %	\$13,000	\$15,600	\$16,900	\$18,200	\$19,500	\$20,800	\$22,750
Accounting (3)	10 %	5,200	6,240	6,760	7,280	7,800	8,320	9,100
Account Receivable (4)	10 %	5,200	6,240	6,760	7,280	7,800	8,320	9,100
SOX Compliance (5)	10 %	5,200	6,240	6,760	7,280	7,800	8,320	9,100
Centralization & IT Objectives (6)	30 %	15,600	18,720	20,280	21,840	23,400	24,960	27,300
Unbilled Receivable (7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Potential Maximum (7)	100%	52,000	62,400	67,211	72,411	78,000	83,200	91,000

1) Administrative expense was defined as the total consolidated administrative expenses as publicly reported in the Company's financial statements. Administrative expense was inclusive of all subsidiaries, and excluded marketing expenses and interest expense.

2) Net income was defined as the total pre-tax net income applicable to Common Stock as publicly reported in the Company's financial statements. Net income included all subsidiaries, corporate charges, dividends and discontinued operations. The percentage achieved was determined by comparing the actual net income to the Board approved budgeted net income.

3) The accounting objective focused on the timely filing of Forms 10-K, 10-Q, and 8-K and the issuance of press releases, containing complete and accurate information.

SEC Filings	Performance Target
10K – filed timely or	3%
10K – extension	1.5%
1st quarter 10Q – filed timely or	2%
1st quarter 10Q – extension	1%
2nd quarter 10Q – filed timely or	2%
2nd quarter 10Q – extension	1%
3rd quarter 10Q – filed timely or	2%
	1%

3rd quarter 10Q -
extension

All 8K's Filed	1%
Total Achievable	10%

- 4) The Accounts Receivable (“AR”) objective focused on achieving certain AR targets.

Accounts Receivable	Performance Target
25% or less of AR > than 60 days	5.0%
30% or less of AR > than 60 days	2.5%
9% or less of AR > than 120 days	5.0%
10% or less of AR > than 120 days	2.5%
Total Achievable	10.0%

AR was defined as outstanding AR, as shown on the Company’s AR sub-ledger, collectable within the control of the financial and operational staff.

Adjustments for this objective included but were not be limited to:

- i) Accounts fully reserved when calculating bad debt allowance;
 - ii) Accounts that were in litigations; and
 - iii) Accounts not receivable due to a legitimate operational delay. Note this was only excluded if invoicing was appropriate despite the operational delay.
- 5) The SOX compliance target was based on maintaining good internal controls and minimizing material weaknesses similar to “Permit and License” violations in the CEO Plan.

SOX Deficiencies	Performance Target
0	10%
1	9%
2	8%
3	5%
4	2%
> 4	0%

6) Centralization and IT Objective - Completion of the following milestones related to the planned centralization of the accounting function to the Corporate Office. Completion of each objective earned 3% with a maximum target achievable of 30%.

Accounting Centralization Objectives	Performance Target
Complete rollout of Solomon Accounting Purchase Order (“PO”) System at facilities.	3.0%
Final phase of accounts payable (“AP”) transition integrating PO system and centralized AP system.	3.0%
Rollout Image-link to remaining facilities (paperless filing of accounting back-up).	3.0%
Install multi-company software at Corporate Office.	3.0%
Centralize all remaining journal entries (“JEs”) at Corporate Office (mostly revenue related).	3.0%
Improved forecasting model from facilities including new software if cost effective.	3.0%
Payroll Processing Improvements-Improved time management system if cost effective.	3.0%
Cost accounting initiatives to support Field Services initiative and Defense Contract Audit Agency (“DCAA”) audit requirements.	3.0%
Complete and make operational PFNW waste tracking system.	3.0%
Plan for implementation of new waste tracking system at other nuclear facilities and industrial facilities if cost effective.	3.0%
System integration plan for the Southeast.	3.0%

Tele-com Consolidation

3.0%

7) Unbilled trade receivables was the amount of unbilled reported per 10Q or 10K combining both the long term and current portion of unbilled. The objective for unbilled trade receivable balances older than 12/31/07 was to reduce such balances by \$2,500,000, from \$3,380,000 as of 12/31/09 to \$880,000 by 12/31/10. If objective was not met, bonus was reduced by 15%.

Under the CFO 2010 MIP, each of the Accounting, Accounts Receivable, Sox Compliance, and Centralization & IT Objectives (each known as “Non-Net Income component”) noted above was calculated as the applicable percentage achieved of the amount as set forth under the Net Income Performance Target Threshold column; therefore, each of the Non-Net Income components was payable only if the Net Income Performance Target Threshold component of at least 85% was achieved.

The minimum performance compensation under each MIP was payable upon achieving between 85% to 100% of corporate financial objectives, with the maximum performance compensation becoming payable upon achieving 161% of such objectives, except the CFO’s minimum performance compensation for achieving administrative expense goals was based on maintaining the Company’s administrative expense at 100% of the objective, with the maximum performance compensation payable if administrative expense was 88% of the objective.

The following table sets forth the MIP compensation earned by the CEO and CFO in fiscal year 2010 under each 2010 MIP. The MIP compensation was paid to the CEO and CFO on April 15, 2011:

CEO MIP:

Target Objectives:	Performance		MIP Compensation Earned
	Target Threshold Achieved		
Revenue	99	%	\$ 19,741
Net Income	50	%	—
Health & Safety	151%-160%		— (1)
Permit & License Violations	141%-150%		— (1)
Unbilled Receivables	24	%	(2,961)(2)
Total Performance Compensation			\$ 16,780

(1) Pursuant to the 2010 MIP, no compensation is to be paid for this component unless a minimum of 70% of net income target is achieved.

(2) Unbilled trade receivable balances older than 12/31/07 was not reduced by \$2,500,000 from \$3,380,000 as of 12/31/09 to \$880,000; therefore, compensation totaling \$19,741 for the four components shown above was reduced by 15%.

CFO MIP:

Target Objectives:	Performance		MIP Compensation Earned
	Target Threshold Achieved		
Administrative	94	%	\$ 10,531
Net Income	50	%	¾
Accounting	100	%	¾ (1)
Accounts Receivable	25	%	¾ (1)
SOX Compliance	100	%	¾ (1)
Centralization & IT Objective	80	%	¾
Unbilled Receivables	24	%	(1,580)
Total Performance Compensation			\$ 8,951 (2)

(1) Pursuant to the 2010 MIP, no compensation is to be paid for this component unless a minimum of 85% of net income target is achieved.

(2) Unbilled trade receivable balances older than 12/31/07 was not reduced by \$2,500,000 from \$3,380,000 as of 12/31/09 to \$880,000; therefore, compensation totaling \$10,531 for the six components shown above was reduced by 15%.

Based on our actual results during 2010, and the various components of each MIP described above, the bonus compensation earned under the 2010 MIP for our CEO and CFO, as a percentage of base salary, was 6.4% and 4.3%, respectively.

Mr. Robert Schreiber - Schreiber, Yonley, & Associates ("SYA") - Bonus Plan

Mr. Robert Schreiber, Jr., the President of our environmental engineering and regulatory compliance consulting services firm, SYA, did not receive a performance bonus during 2010. Mr. Schreiber was eligible to be awarded a bonus based on an allocation of a portion of a bonus pool applicable only to SYA employees. The amount of the bonus pool was equal to 40% of the net income of SYA, minus 5% of SYA's total revenues for 2010. In 2010, the bonus pool was determined to be \$0. The Compensation Committee believes that this formula ties any bonus awarded to employees of SYA directly to SYA's performance, rewards performance, and motivates the SYA employees to achieve our operational goals (although such formula is not linked to specific targets or benchmarks). The Board delegated to our CEO the authority to determine what portion, if any, of the SYA bonus pool is allocated to Mr. Schreiber for his performance. Our CEO considered the following factors when reviewing Mr. Schreiber's performance for the purpose of determining Mr. Schreiber's bonus compensation as a portion of the SYA bonus pool:

- SYA's performance as a segment of our Company;
- Effectiveness of Mr. Schreiber's leadership;
- Mr. Schreiber's role and participation as a member of our executive management team; and
- Our overall performance, based on a subjective analysis of our revenues and net income in the applicable business environment.

The determination of Mr. Schreiber's bonus is a subjective determination, with the maximum amount of such bonus being 100% of the SYA bonus pool. In 2009 and 2008, Mr. Schreiber's bonus represented 40% and 40%, respectively, of the SYA bonus pool. Accordingly, Mr. Schreiber's compensation was not based on objective metrics, but a subjective assessment of his performance, with the maximum amount of such bonus compensation defined by the Compensation Committee's formula.

Mr. James Blankenhorn – Chief Operating Officer

On February 18, 2011, the Company's Board of Directors appointed Mr. James A. Blankenhorn, 46, as Chief Operating Officer ("COO") of the Company. Mr. Blankenhorn's employment with the Company became effective on June 1, 2011. The terms of Mr. Blankenhorn's compensation, which became effective June 1, 2011 are as follows:

- Base annual salary of \$245,000;
- Participate in the Company's 2011 MIP, which the COO's MIP was approved on March 17, 2011 (see 2011 "COO MIP" for details of the plan below);
- Grant of 300,000 stock options for the purchase of up to 300,000 shares of the Company's Common Stock, with the exercise price to be the fair market value of the Company's Common Stock at the time he begins employment, subject to recommendation by the Compensation Committee and approval by the Board of Directors;
- \$25,000 sign on bonus; and
- Car allowance of \$750 per month.

2011 MIP

On March 17, 2011, the Compensation Committee approved individual MIP for Dr. Louis F. Centofanti, our CEO, and Ben Naccarato, our Chief Financial Officer CFO. The MIPs are effective as of January 1, 2011. 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 50% to 87% or \$131,608 to \$230,315 of the 2011 base salary for the CEO and 25% to 44% or \$52,000 to \$91,000 of the 2011 base salary for the CFO.

On March 17, 2011, the Compensation Committee also approved a MIP for Mr. James Blankenhorn, who became the Company's COO effective June 1, 2011. The COO's MIP is effective as of January 1, 2011; however, any payment under the MIP to the COO will be prorated based on the COO's effective date of employment of June 1, 2011. The potential target performance compensation ranges from 50% to 87% or \$71,458 to \$125,051 of the prorated 2011 base salary for the COO.

Performance compensation is paid on or about 90 days after year-end, or sooner, based on finalization of our audited financial statements for 2011. If the MIP participant's employment with the Company is voluntarily or involuntarily terminated prior to a regularly scheduled MIP compensation payment period, no MIP payment will be payable for and after such period. 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.

CEO MIP

2011 CEO performance compensation is based upon meeting corporate financial pre-tax net income, revenue, health and safety, and environmental compliance objectives during fiscal year 2011 from our continuing operations. Of the total potential performance compensation, 55% is based on pre-tax net income goals, 15% on revenue goals, 15% on the number of health and safety claim incidents that occur during fiscal year 2011, 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. Each of the revenue and pre-tax net income components is based on our board approved target (referred to as “Revenue Target” and “Net Income Target”), which is \$99,993,000 and \$6,269,000, respectively. See “2011 MIP Targets” below for further discussion of these targets. The specific components of the 2011 MIP for our CEO were as follows:

CEO MIP COMPENSATION COMPONENTS

Annualized Base Pay:	\$ 263,218
Performance Incentive Compensation Target (at 100% of Plan):	\$ 131,608
Total Annual Target Compensation (at 100% of Plan):	\$ 394,826

The Performance Incentive Compensation Target was based on the schedule below.

Target Objectives	Weights	Performance Target Thresholds					
		85%-100%	101%-120%	121%-130%	131%-140%	141%-150%	151%+
Revenue (1)	15 %	\$19,741	\$23,690	\$25,664	\$27,638	\$29,612	\$31,586
Net Income (2)	55 %	72,385	86,862	94,100	101,339	108,577	115,816
Health & Safety (3)	15 %	19,741	23,690	25,664	27,638	29,612	31,586
Permit & License Violations (4)	15 %	19,741	23,690	25,664	27,638	29,612	31,586
Unbilled Receivable (5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Potential Maximum (5)(6)	100 %	131,608	157,932	171,092	184,253	197,413	210,573

- 1) Revenue is defined as the total consolidated third party top line revenue from continuing operations as publicly reported in the Company’s 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.
- 2) Net income is defined as the total consolidated pre-tax net income from continuing operations as publicly reported in the Company’s financial statements. Net income includes all subsidiaries, corporate charges, and dividends from continuing operations. The percentage achieved is determined by comparing the actual pre-tax net income to the Board approved Net Income Target.
- 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 Treasurer submits a report on a quarterly basis documenting and confirming the number of Worker’s Compensation Lost Time Accidents, supported by the AIG Worker’s Compensation Loss Report. Such claims are identified on the loss report as “indemnity claims.” The following number of Worker’s Compensation Lost Time Accidents and corresponding Performance Target Thresholds were established for the annual Incentive Compensation Plan calculation for 2011.

Work Comp. Claim Number	Performance Target
7	85% - 100%
6	101% - 120%
5	121% - 130%
4	131% - 140%
3	141% - 150%
2	151% - 160%
1	161% Plus

- 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 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
7	85% - 100%
	101% -
6	120%
	121% -
5	130%
	131% -
4	140%
	141% -
3	150%
	151% -
2	160%
1	161% Plus

5) Unbilled trade receivables is the amount of unbilled reported per Form 10-Q or Form 10-K combining both the long term and current portion of unbilled. The objective for unbilled trade receivables balances older than 12/31/08 is to reduce such balances by \$2,987,000, from \$3,318,000 as of 12/31/10 to \$331,000 by 12/31/11. If this objective is not met, the bonus will be reduced by 15%.

6) No performance incentive compensation will be payable for achieving the health and safety and permit and license violation targets unless a minimum of 70% of the Net Income Target is achieved.

CFO MIP:

The CFO's 2011 performance compensation is based upon achievement of pre-tax net income, administrative expense, financial oversight, centralization of accounting and IT functions objectives, as well as the Company's timely SEC filing of annual and quarterly reports and Form 8-Ks. Of the total potential performance compensation, 25% is based on achievement of pre-tax net income goals, 15% on maintaining or reducing our targeted administrative expense, 10% on the timeliness of the Company's annual, quarterly, and Form 8-K report filings with the SEC, 10% on financial oversight, 10% on compliance with the requirements of SOX, and 30% on accounting centralization and IT objectives. Each of the pre-tax net income and administrative expense component is based on the Net Income Target and the board approved "Administrative Expense Target", which is \$10,947,000. See "2011 MIP Targets" below for further discussion of these targets. The specific components of the 2011 MIP for our CFO are as follows:

CFO MIP COMPENSATION COMPONENTS

Annualized Base Pay:	\$ 208,000
Performance Incentive Compensation Target (at 100% of Plan):	\$ 52,000
Total Annual Target Compensation (at 100% of Plan):	\$ 260,000

The Performance Incentive Compensation Target is based on the schedule below.

Target Objectives	Performance Target Thresholds						
	100% or less	98%-99%	96%-97%	94%-95%	92%-93%	90%-91%	88%-89%
Administrative Expenses (1)	15 % \$7,800	\$9,360	\$9,751	\$10,531	\$11,700	\$12,480	\$13,650

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	Weights	85%-100%	101%-120%	121%-130%	131%-140%	141%-150%	151%-160%	161%+
Net Income (2)	25 %	\$13,000	\$15,600	\$16,900	\$18,200	\$19,500	\$20,800	\$22,750
Accounting (3)	10 %	5,200	6,240	6,760	7,280	7,800	8,320	9,100
Account Receivable (4)	10 %	5,200	6,240	6,760	7,280	7,800	8,320	9,100
SOX Compliance (5)	10 %	5,200	6,240	6,760	7,280	7,800	8,320	9,100
Centralization & IT Objectives (6)	30 %	15,600	18,720	20,280	21,840	23,400	24,960	27,300
Unbilled Receivable Potential Maximum (7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
	100%	52,000	62,400	67,211	72,411	78,000	83,200	91,000

- 1) Administrative Expense is defined as the total consolidated administrative expenses from continuing operations as publicly reported in the Company's financial statements. Administrative Expense is inclusive of all subsidiaries from continuing operations, and excludes marketing expenses and interest expense.
- 2) Net Income is defined as the total consolidated pre-tax net income from continuing operations as publicly reported in the Company's financial statements. Net income includes all subsidiaries, corporate charges, and dividends from continuing operations. The percentage achieved is determined by comparing the actual pre-tax Net Income to the Board approved Net Income Target.
- 3) The accounting objective focuses on the timely filing of Forms 10-K, 10-Q, and 8-K and the issuance of press releases, containing complete and accurate information.

SEC Filings	Performance Target
10K – filed timely or	3%
10K – extension	1.5%
1st quarter 10Q – filed timely or	2%
1st quarter 10Q – extension	1%
2nd quarter 10Q – filed timely or	2%
2nd quarter 10Q – extension	1%
3rd quarter 10Q – filed timely or	2%
3rd quarter 10Q - extension	1%
All 8K's Filed	1%
Total Achievable	10%

- 4) The AR objective focuses on achieving certain AR targets from continuing operations.

Accounts Receivable	Performance Target
25% or less of AR > than 60 days	5.0%
30% or less of AR > than 60 days	2.5%
9% or less of AR > than 120 days	5.0%
10% or less of AR > than 120 days	2.5%
Total Achievable	10.0%

AR is defined as outstanding AR, as shown on the Company's AR sub-ledger of continuing operations, collectable within the control of the financial and operational staff.

Adjustments for this objective include but are not be limited to:

- i) Accounts fully reserved when calculating bad debt allowance;
 - ii) Accounts that are in litigations; and
 - iii) Accounts not receivable due to a legitimate operational delay. Note this will only be excluded if invoicing was appropriate despite the operational delay.
- 5) The SOX compliance target is based on maintaining good internal controls and minimizing material weaknesses similar to “Permit and License” violations in the CEO Plan.

SOX Deficiencies	Performance Target
0	10%
1	9%
2	8%
3	5%
4	2%
> 4	0%

6) Centralization and IT Objective - Completion of the following milestones related to the planned centralization of the accounting function to the Corporate Office. Completion of each objective earns 3% with a maximum target achievable of 30%.

Accounting Centralization Objectives	Performance Target
Install Multi-Company Software at Corporate Office.	3.0%
Improve forecasting model from facilities including new software if cost effective.	3.0%
PO implementation Phase II – Automated requisition process.	3.0%
Automated Fixed Asset and Capital Tracking.	3.0%
Cost accounting initiatives to support Field Services initiative and DCAA audit requirements.	3.0%
AP – Automate weekly cash requirement process.	3.0%
Treasury – Automated cash management tracking process.	3.0%
Waste Tracking – Complete East Tennessee Material & Energy Corporation (“M&EC”) and Perma-Fix of Florida (“PFF”) upgrade to Perma-Fix of Northwest (“PFNW”) model.	3.0%
On-Site Service (“OSS”) – Project Controller operation tracking system.	3.0%
Business Portal – to support Time and Entry tracking for Schreiber, Yonley & Associates (“SYA”) and On-Site Services (“OSS”).	3.0%
Sales – Sales and Opportunity Tracking System.	3.0%
Human Resources (“HR”) – Time Management improvements (Timeclocks)	3.0%

7) Unbilled trade receivables is the amount of unbilled reported per Form 10-Q or Form 10-K combining both the long term and current portion of unbilled. The objective for unbilled trade receivables balances older than 12/31/08 is to reduce such balances by \$2,987,000, from \$3,318,000 as of 12/31/10 to \$331,000 by 12/31/11. If this objective is not met, the bonus will be reduced by 15%.

Under the CFO 2011 MIP, each of the Accounting, Accounts Receivable, SOX Compliance, and Centralization & IT Objectives (each known as “Non-Net Income component”) noted above is calculated as the applicable percentage achieved of the amount as set forth under the Net Income Performance Target Threshold column; therefore, each of the Non-Net Income components is payable only if the Net Income Target Threshold component of at least 85% is achieved.

COO MIP:

2011 COO performance compensation is based upon meeting corporate financial pre-tax net income, revenue, health and safety, and environmental compliance objectives during fiscal year 2011 from our continuing operations. Of the total potential performance compensation, 55% is based on pre-tax net income goal, 15% on revenue goal, 15% on the number of health and safety claim incidents that occur during fiscal year 2011, 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 2011. Each of the revenue and pre-tax net income components is based on the Revenue Target and Net Income Target. See “2011 MIP Targets” below for further discussion of these targets. The specific components of the 2011 MIP for the COO are as follows:

COO MIP COMPENSATION COMPONENTS

Annualized Base Pay:	\$ 245,000
Performance Incentive Compensation Target (at 100% of Plan):	\$ 122,500
Total Annual Target Compensation (at 100% of Plan):	\$ 367,500

The Performance Incentive Compensation Target is based on the schedule below.

Objectives	Weights	Performance Target Thresholds					
		85%-100%	101%-120%	121%-130%	131%-140%	141%-150%	151%+
Revenue (1)	15 %	\$18,375	\$22,050	\$23,891	\$25,800	\$27,561	\$29,422
Net Income (2)	55 %	67,375	80,850	87,591	94,329	101,061	107,793
Health & Safety (3)	15 %	18,375	22,050	23,891	25,800	27,561	29,422
Permit & License Violations (4)	15 %	18,375	22,050	23,891	25,800	27,561	29,422
Unbilled Receivable (5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Potential Maximum (5)(6)	100%	122,500	147,000	159,264	171,729	183,744	196,211

- 1) Revenue is defined as the total consolidated third party top line revenue from continuing operations as publicly reported in the Company's 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.
- 2) Net Income is defined as the total consolidated pre-tax net income from continuing operations as publicly reported in the Company's financial statements. Net income includes all subsidiaries, corporate charges, and dividends from continuing operations. The percentage achieved is determined by comparing the actual pre-tax Net Income to the Board approved Net Income Target.
- 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 Treasurer submits a report on a quarterly basis documenting and confirming the number of Worker's Compensation Lost Time Accidents, supported by the AIG Worker's Compensation Loss Report. Such claims are identified on the loss report as "indemnity claims." The following number of Worker's Compensation Lost Time Accidents and corresponding Performance Target Thresholds were established for the annual Incentive Compensation Plan calculation for 2011.

Work Comp. Claim Number	Performance Target
7	85% - 100%
6	101% - 120%
5	121% - 130%
4	131% - 140%
3	141% - 150%
2	151% - 160%
1	161% Plus

- 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 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

7	85% - 100%
	101% -
6	120%
	121% -
5	130%
	131% -
4	140%
	141% -
3	150%
	151% -
2	160%
1	161% Plus

5) Unbilled trade receivables is the amount of unbilled reported per Form 10-Q or Form 10-K combining both the long term and current portion of unbilled. The objective for unbilled trade receivables balances older than 12/31/08 is to reduce such balances by \$2,987,000, from \$3,318,000 as of 12/31/10 to \$331,000 by 12/31/11. If this objective is not met, the bonus will be reduced by 15%.

6) No performance incentive compensation will be payable for achieving the health and safety and permit and license violation targets unless a minimum of 70% of the Net Income Target is achieved.

2011 MIP Targets

As discussed above, 2011 MIPs approved for the CEO, CFO, and COO by the Compensation Committee award cash compensation based on achievement of performance targets which include Revenue, Net Income, and Administrative Expenses as approved by our Board. The Revenue Target of \$99,993,000 and the Administrative Expense Target of \$10,947,000 set forth in the 2011 MIPs are based on our board approved 2011 budget. In formulating the Net Income Target of \$6,269,000 (which is pre-tax), the Board considered 2010 results, current economic conditions, forecasts for 2011 government (DOE) spending under continuing resolution, and the potential for significant spending cuts in the upcoming government (DOE) 2012 budget. Based on current conditions, the Compensation Committee believes the Net Income Target set is likely to be achieved, but not assured.

Long-Term Incentive Compensation

Employee Stock Option Plan

The 2004 Stock Option Plan (the "2004 Option Plan") encourages participants to focus on long-term performance and provides an opportunity for executive officers and certain designated key employees to increase their stake in the Company. Stock options succeed by delivering value to the executive only when the value of our stock increases. The 2004 Option Plan authorizes the grant of Non-Qualified Stock Options ("NQSO") and Incentive Stock Options ("ISOs") for the purchase of Common Stock.

The 2004 Option Plan assists the Company to:

- enhance the link between the creation of stockholder value and long-term executive incentive compensation;
- provide an opportunity for increased equity ownership by executives; and
- maintain competitive levels of total compensation.

Stock option award levels are determined based on market data, vary among participants based on their positions with us and are granted generally at the Compensation Committee's regularly scheduled July or August meeting. Newly hired or promoted executive officers who are eligible to receive options are generally awarded such options at the next regularly scheduled Compensation Committee meeting following their hire or promotion date.

Options are awarded with an exercise price equal to or not less than the closing price of the Company's Common Stock on the date of the grant as reported on the NASDAQ. In certain limited circumstances, the Compensation Committee may grant options to an executive at an exercise price in excess of the closing price of the Company's Common Stock on the grant date.

The Company did not grant any options to any of its employees, including the NEOs in 2010. The stock options previously granted have either a 10 year contractual term with one-fifth yearly vesting over a five year period or a six year contractual term with one-third yearly vesting over a three year period.

Vesting of option awards ceases upon termination of employment and exercise right of the vested option amount ceases upon three months from termination of employment except in the case of death or retirement (subject to a six month limitation), or disability (subject to a one year limitation). Prior to the exercise of an option, the holder has no rights as a stockholder with respect to the shares subject to such option.

In the event of a “change of control” (as defined in the “1993 Non-Qualified Stock Option Plan” and “2004 Stock Option Plan”) of the Company, each outstanding option and award granted under the plans shall immediately become exercisable in full notwithstanding the vesting or exercise provisions contained in the stock option agreement.

Accounting for Stock-Based Compensation

We account for stock-based compensation in accordance with ASC 718, “Compensation – Stock Compensation”. ASC 718 establishes accounting standards for entity exchanges of equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity’s equity instruments or that may be settled by the issuance of those equity instruments. ASC 718 requires all stock-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. The Company uses the Black-Scholes option-pricing model to determine the fair-value of stock-based awards which requires subjective assumptions. Assumptions used to estimate the fair value of stock options granted include the exercise price of the award, the expected term, the expected volatility of the Company’s stock over the option’s expected term, the risk-free interest rate over the option’s expected term, and the expected annual dividend yield.

We recognize stock-based compensation expense using a straight-line amortization method over the requisite period, which is the vesting period of the stock option grant. As ASC 718 requires that stock-based compensation expense be based on options that are ultimately expected to vest, our stock-based compensation expense is reduced at an estimated forfeiture rate. Our estimated forfeiture rate is generally based on historical trends of actual forfeitures. Forfeiture rates are evaluated, and revised as necessary.

Retirement and Other Benefits

401(k) Plan

We adopted the Perma-Fix Environmental Services, Inc. 401(k) Plan (the “401(k) Plan”) in 1992, which is intended to comply with Section 401 of the Internal Revenue Code and the provisions of the Employee Retirement Income Security Act of 1974. All full-time employees who have attained the age of 18 are eligible to participate in the 401(k) Plan. Eligibility is immediate upon employment but enrollment is only allowed during two yearly open periods of January 1 and July 1. Participating employees may make annual pretax contributions to their accounts up to 100% of their compensation, up to a maximum amount as limited by law. We, at our discretion, may make matching contributions based on the employee’s elective contributions. Company contributions vest over a period of five years. We have matched 25% of our employees’ contributions since inception of the Plan. In 2010, the Company contributed \$431,000 in matching funds, of which approximately \$13,750 was for our named executive officer (See the “Summary Compensation Table” in this section for information about our matching contributions to the named executive officers).

Perquisites and Other Personal Benefits

The Company provides executive officers with limited perquisites and other personal benefits that the Company and the Compensation Committee believe are reasonable and consistent with its overall compensation program to better enable the Company to attract and retain superior employees for key positions. The Compensation Committee periodically reviews the levels of perquisites and other personal benefits provided to executive officers. The executive officers are provided an auto allowance.

Compensation Committee Report

The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

THE COMPENSATION AND STOCK OPTION COMMITTEE

Jack Lahav, Chairman

Jon Colin

Joe Reeder
Dr. Charles E. Young

Summary Compensation Table

The following table summarizes the total compensation paid or earned by each of the executive officers for the fiscal years ended December 31, 2010, 2009, and 2008.

Name and Principal Position	Year	Salary (\$)	Bonus (\$) (2)	Option Awards (\$) (3)	Non-Equity Incentive		Total Compensation (\$)
					Plan Compensation (\$) (4)	All other Compensation (\$) (6)	
Dr. Louis Centofanti Chairman of the Board, President and Chief Executive Officer	2010	263,218	¾	¾	16,780 (5)	13,125	293,123
	2009	253,094	¾	¾	145,575	10,217	408,886
	2008	251,410	¾	174,891	15,514	12,875	454,690
Ben Naccarato (1) Vice President and Chief Financial Officer	2010	207,996	¾	¾	8,951 (5)	13,125	230,072
	2009	196,110	¾	59,475	57,963	8,492	322,040
	2008	176,136	25,000	46,638	¾	3,875	251,649
Robert Schreiber, Jr. President of SYA	2010	197,685	1,000	¾	¾	18,023	216,708
	2009	191,894	69,130	¾	¾	8,400	269,424
	2008	184,588	88,386	29,148	¾	12,676	314,798

(1) Named as Chief Financial Officer and Secretary of the Board of Directors by the Company's Board of Directors on February 26, 2009. Mr. Naccarato was named as Interim Chief Financial Officer and Secretary of the Board of Directors effective November 1, 2008. Mr. Naccarato served as the Vice President, Corporate Controller/Treasurer prior to being named Interim Chief Financial Officer and Secretary of the Board of Directors.

(2) Amount earned by Mr. Naccarato for 2008 represents bonus earned as Vice President, Corporate Controller/Treasurer, prior to being named as Chief Financial Officer. The \$1,000 earned by Mr. Schreiber for 2010 represents a bonus paid to him for 25 years of service with the Company. Amounts earned by Mr. Schreiber for the other years noted represent an allocation of a portion of bonus pool applicable to SYA employees. The portion of bonus allocated to Mr. Schreiber is approved by our Chief Executive Officer. The bonus pool for 2010 was \$0. See "Mr. Robert Schreiber - Schreiber, Yonley & Associates ("SYA") - Bonus Plan" in the "Compensation and Discussion Analysis" for further information regarding this bonus plan. See footnotes (4) and (5) for bonus earned by the named executive officers under the Company's MIP.

(3) This amount reflects the aggregate grant date fair value of awards computed in accordance with ASC 718, "Compensation – Stock Compensation", excluding the effect of forfeitures. No options were granted to any employees and named executives in 2010.

(4) Represents performance compensation earned under the Company's MIP. The MIP is described under the heading "Executive Management Incentive Plan."

(5) Represents 2010 performance compensation earned in 2010 under the Company's MIP. Amount was paid on April 15, 2011.

(6) The amount shown includes a monthly automobile allowance of \$750 or the use of a company car, and where applicable, our 401(k) matching contribution.

Name	401(k) match	Auto Allowance or Company Car	Other	Total
Dr. Louis Centofanti	\$4,125	\$9,000	\$¾	\$13,125
Ben Naccarato	\$4,125	\$9,000	\$¾	\$13,125
Robert Schreiber, Jr.	\$11,000	\$7,023	\$¾	\$18,023

The compensation plan under which the awards in the following table were made are generally described in the Compensation Discussion and Analysis in this section and include the Company's MIP, which is a non-equity incentive plan, and the Company's 2004 Stock Option Plan, which provides for grant of stock options to our employees.

Grant of Plan-Based Awards

Estimated Future Payouts Under Non-Equity Incentive Plan Awards

Name	Grant Date	Threshold \$	Target \$ (1)	Maximum \$ (1)	All other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Option Awards (\$)
Dr. Louis Centofanti	N/A	¾	131,609	230,316	¾	¾	¾
Ben Naccarato	N/A	¾	52,000	91,000	¾	¾	¾
Robert Schreiber, Jr.	N/A	¾	¾	¾	¾	¾	¾

(1) The amounts shown in column titled "Target" reflects the minimum payment level under the Company's 2010 Executive Management Incentive Plan which is paid with the achievement of 85% to 100% of the target amount. The amount shown in column titled "Maximum" reflects the maximum payment level of reaching 161% of the target amount. These amounts are based on the individual's current salary and position.

Outstanding Equity Awards at Fiscal Year

The following table sets forth unexercised options held by NEOs as of the fiscal year-end.

Outstanding Equity Awards at December 31, 2010

Option Awards

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unexercised Options (#) (1)	Equity Incentive Plan Awards:	Option Exercise Price (\$)	Option Expiration Date
				Number of Securities Underlying Unexercised Options (#)		
Dr. Louis Centofanti	100,000	—	—	—	1.75	5/10/2011
	100,000	—	—	—	2.19	2/27/2013
	100,000	—	—	—	1.86	3/2/2012
	100,000	50,000	—	—	2.28	8/5/2014
Ben Naccarato	20,000	—	—	—	1.44	10/28/2014
	5,000	—	—	—	1.86	3/2/2012
	26,667	13,333	—	—	2.28	8/5/2014
	25,000	50,000	(3)	—	1.42	2/26/2015
Robert Schreiber, Jr.	50,000	—	—	—	1.75	5/10/2011
	50,000	—	—	—	2.19	2/27/2013
	25,000	—	—	—	1.86	3/2/2012
	16,667	8,333	(2)	—	2.28	8/5/2014

(1) In the event of a change in control (as defined in the Option Plan) of the Company, each outstanding option and award shall immediately become exercisable in full notwithstanding the vesting or exercise provisions contained in the stock option agreement.

(2) Incentive stock option granted on August 5, 2008 under the Company's Option Plan. The option is for a six year term and vests over a three year period, at one-third increments per year.

(3) Incentive stock option granted on February 26, 2009 under the Company's Option Plan. The option is for a six year term and vests over a three year period, at one-third increments per year.

The following table sets forth the number of options exercised by the NEOs in 2010:

Option Exercises and Stock Vested

Name	Option Awards	
	Number of Shares Acquired on Exercises (#)	Value Realized On Exercise (\$) (1)
Dr. Louis F. Centofanti	31,790 (2)	72,800
Ben Naccarato	—	—
Robert Schreiber, Jr.	—	—

(1) Based on the difference between the closing price of our Common Stock reported on the NASDAQ on the exercise date and the exercise price of the option.

(2) Used 38,210 shares of personally held Company Common Stock as payment for the 70,000 options exercised to purchase 70,000 shares of the Company's Common Stock at \$1.25 per share, as permitted under the 1993 Non-Qualified Stock Option Plan.

Equity Compensation Plans

The following table sets forth information as of December 31, 2010, with respect to our equity compensation plans.

Plan Category	Equity Compensation Plan		
	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans Approved by stockholders	2,755,525	\$2.09	1,739,871
Equity compensation plans not Approved by stockholders	—	—	—
Total	2,755,525	\$2.09	1,739,871

Compensation Risk Assessment

In reviewing our executive compensation program, the Company considers whether the program encourages unnecessary or excessive risk taking and has concluded that its compensation policies do not create risks that are reasonably likely to have a material adverse effect on the Company. This conclusion was based on the assessment performed by the Company, with input from the Company's executive management and its outside securities counsel. The Company's assessment included consideration of Item 402(s) as discussed between the Company's management following in depth discussions of Item 402(s) with our outside securities counsel. In conducting the Company's risk assessment, numerous factors were considered, including:

- the Company does not offer significant short-term incentives that would reasonably be considered as motivating high-risk investments or other conduct that is not consistent with the long term goals of the Company;
- the mix between short-term and long-term compensation, which is also discussed in “Compensation Discussion and Analysis;”
 - the type of equity awards granted to employees and level of equity and equity award holdings; and
 - the historical emphasis at the Company on long-term growth and profitability over short-term gains.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security Ownership of Certain Beneficial Owners

The table below sets forth information as to the shares of Common Stock beneficially owned as of July 8, 2011, by each person known by us to be the beneficial owners of more than 5% of any class of our voting securities.

Name of Beneficial Owner	Title Of Class	Amount and Nature of Ownership	Percent Of Class (1)	
Heartland Advisors, Inc. (2)	Common	8,099,800	14.68	%
Rutabaga Capital Management (3)	Common	3,811,727	6.91	%

(1) The number of shares and the percentage of outstanding Common Stock shown as beneficially owned by a person are based upon 55,173,586 shares of Common Stock outstanding (excludes 38,210 shares held in treasury) on July 8, 2011, and the number of shares of Common Stock which such person has the right to acquire beneficial ownership of within 60 days. Beneficial ownership by our stockholders has been determined in accordance with the rules promulgated under Section 13(d) of the Exchange Act.

(2) This information is based on the Schedule 13F-HR, filed with the Securities and Exchange Commission (“SEC”) on May 13, 2011, which provides that Heartland Advisors, Inc., an investment advisor, has sole dispositive power over all of these shares but sole voting power over 7,674,800 shares and no voting power over 425,000 shares. The address of Heartland Advisors, Inc. is 789 North Water Street, Suite 500, Milwaukee, WI 53202.

(3) This information is based on the Schedule 13F-HR, filed with the SEC on May 2, 2011, which provides that Rutabaga Capital Management, an investment advisor, has sole dispositive power over all of these shares but sole voting power over 3,251,094 shares and no voting power over 560,633 shares. The address of Rutabaga Capital Management is 64 Broad Street, 3rd Floor, Boston, MA 02109.

Capital Bank GRAWE Gruppe AG (“Capital Bank”) has represented to us that:

- As of June 17, 2011, Capital Bank holds of record as a nominee for, and as an agent of, certain accredited investors, 5,595,996 shares of our Common Stock.;
 - All of the Capital Bank's investors are accredited investors;
- None of Capital Bank's investors beneficially own more than 4.9% of our Common Stock and to its best knowledge, none of Capital Bank’s investors act together as a group or otherwise act in concert for the purpose of voting on matters subject to the vote of our stockholders or for purpose of dispositive or investment of such stock;
- Capital Bank's investors maintain full voting and dispositive power over the Common Stock beneficially owned by such investors; and

- Capital Bank has neither voting nor investment power over the shares of Common Stock owned by Capital Bank, as agent for its investors.
- Capital Bank believes that it is not required to file reports under Section 16(a) of the Exchange Act or to file either Schedule 13D or Schedule 13G in connection with the shares of our Common Stock registered in the name of Capital Bank.

- Capital Bank is not the beneficial owner, as such term is defined in Rule 13d-3 of the Exchange Act, of the shares of Common Stock registered in Capital Bank's name because (a) Capital Bank holds the Common Stock as a nominee only and (b) Capital Bank has neither voting nor investment power over such shares.

Notwithstanding the previous paragraph, if Capital Bank's representations to us described above are incorrect or if Capital Bank's investors are acting as a group, then Capital Bank or a group of Capital Bank's investors could be a beneficial owner of more than 5% of our voting securities. If Capital Bank is deemed the beneficial owner of such shares, the following table sets forth information as to the shares of voting securities that Capital Bank may be considered to beneficially own on July 8, 2011.

Name of Record Owner	Title Of Class	Amount and Nature of Ownership	Percent Of Class (1)	
Capital Bank Grawe Gruppe AG (2)	Common	5,595,996(2)	10.14	%

- (1) This calculation is based upon 55,173,586 shares of Common Stock outstanding on July 8, 2011 plus the number of shares of Common Stock which Capital Bank, as agent for certain accredited investors has the right to acquire within 60 days, which is none.
- (2) This amount is the number of shares that Capital Bank has represented to us that it holds of record as nominee for, and as an agent of, certain of its accredited investors. As of the date of this report, Capital Bank has no warrants or options to acquire, as agent for certain investors, additional shares of our Common Stocks. Although Capital Bank is the record holder of the shares of Common Stock described in this note, Capital Bank has advised us that it does not believe it is a beneficial owner of the Common Stock or that it is required to file reports under Section 16(a) or Section 13(d) of the Exchange Act. Because Capital Bank (a) has advised us that it holds the Common Stock as a nominee only and that it does not exercise voting or investment power over the Common Stock held in its name and that no one investor of Capital Bank for which it holds our Common Stock holds more than 4.9% of our issued and outstanding Common Stock and (b) has not nominated, and has not sought to nominate, and does not intend to nominate in the future, any person to serve as a member of our Board of Directors, we do not believe that Capital Bank is our affiliate. Capital Bank's address is Burgring 16, A-8010 Graz, Austria.

Security Ownership of Management

The following table sets forth information as to the shares of voting securities beneficially owned as of July 8, 2011, by each of our Directors and NEOs and by all of our directors and executive officers as a group. Beneficial ownership has been determined in accordance with the rules promulgated under Section 13(d) of the Exchange Act. A person is deemed to be a beneficial owner of any voting securities for which that person has the right to acquire beneficial ownership within 60 days.

Name of Beneficial Owner (2)	Number of Shares of Common Stock	Percentage of Common Stock (1)	
Dr. Louis F. Centofanti (3)	1,299,524 (3)	2.34	%
Jon Colin (4)	288,459 (4)	*	
Robert L. Ferguson (5)	432,367 (5)	*	
Jack Lahav (6)	914,536 (6)	1.65	%
Joe R. Reeder (7)	953,267 (7)	1.72	%
Larry M. Shelton (8)	146,467 (8)	*	
Dr. Charles E. Young (9)	178,325 (9)	*	

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Mark A. Zwecker (10)	463,696	(10)	*	
Robert Schreiber, Jr. (11)	205,292	(11)	*	
Ben Naccarato (12)	115,000	(12)	*	
Directors and Executive Officers as a Group (10 persons)	4,996,933	(13)	8.86	%

*Indicates beneficial ownership of less than one percent (1%).

(1) See footnote (1) of the table under "Security Ownership of Certain Beneficial Owners".

- (2) The business address of each person, for the purposes hereof, is c/o Perma-Fix Environmental Services, Inc., 8302 Dunwoody Place, Suite 250, Atlanta, Georgia 30350.
- (3) These shares include (i) 635,524 shares held of record by Dr. Centofanti; (ii) options to purchase 300,000 shares, which are immediately exercisable and options to purchase 50,000 shares which are exercisable on August 8, 2011; and (iii) 314,000 shares held by Dr. Centofanti's wife. Dr. Centofanti has sole voting and investment power of these shares, except for the shares held by Dr. Centofanti's wife, over which Dr. Centofanti shares voting and investment power.
- (4) Mr. Colin has sole voting and investment power over these shares which include: (i) 187,459 shares held of record by Mr. Colin, and (ii) options to purchase 101,000 shares of Common Stock, which are immediately exercisable. Mr. Colin has elected not to stand for re-election at the 2011 Annual Meeting of Shareholders.
- (5) Mr. Ferguson has sole voting and investment power over these shares which include: (i) 327,303 shares of Common Stock held of record by Mr. Ferguson, (ii) 27,046 shares held in Mr. Ferguson's individual retirement account, (iii) 24,018 shares held by Ferguson Financial Group LLC ("FFG LLC"), of which Mr. Ferguson is the manager, and (iv) options to purchase 54,000 shares, which are immediately exercisable.
- (6) Mr. Lahav has sole voting and investment power over these shares which include: (i) 798,536 shares of Common Stock held of record by Mr. Lahav, and (ii) options to purchase 116,000 shares of Common Stock, which are immediately exercisable.
- (7) Mr. Reeder has sole voting and investment power over these shares which include: (i) 842,267 shares of Common Stock held of record by Mr. Reeder, and (ii) options to purchase 111,000 shares, which are immediately exercisable.
- (8) Mr. Shelton has sole voting and investment power over these shares which include: (i) 68,467 shares of Common Stock held of record by Mr. Shelton, and (ii) options to purchase 78,000 shares, which are immediately exercisable.
- (9) Dr. Young has sole voting and investment power over these shares which include: (i) 64,325 shares held of record by Dr. Young; and (ii) options to purchase 114,000 shares, which are immediately exercisable.
- (10) Mr. Zwecker has sole voting and investment power over these shares which include: (i) 362,696 shares of Common Stock held of record by Mr. Zwecker; and (ii) options to purchase 101,000 shares, which are immediately exercisable.
- (11) Mr. Schreiber has joint voting and investment power, with his spouse, over 105,292 shares of Common Stock beneficially held and sole voting and investment power over options to purchase 91,667 shares, which are immediately exercisable and options to purchase 8,333 which are exercisable on August 5, 2011.
- (12) Mr. Naccarato has sole voting and investment power over these shares which include: options to purchase 101,667 shares, which are immediately exercisable and options to purchase 13,333 shares, which are exercisable on August 5, 2011.
- (13) Amount includes 1,168,334 options, which are immediately exercisable to purchase 1,168,334 shares of Common Stock; and 71,666 options, which are exercisable on August 5, 2011 to purchase 71,666 shares of Common Stock.

PROPOSAL 2 - RATIFICATION OF INDEPENDENT PUBLIC ACCOUNTANTS

The Audit Committee has appointed BDO USA, LLP (“BDO”) as the independent registered public accounting firm to audit the consolidated financial statements of the Company for fiscal year 2011. BDO has been the Company’s independent accountant since December 18, 1996. It is expected that representatives of BDO will be present at the annual meeting, will have an opportunity to make a statement if they desire to do so, and will be available to answer appropriate questions.

The affirmative vote of the holders of a majority of the Common Stock present in person or by proxy at the Meeting and entitled to vote is required for adoption of this proposal.

Audit Fees

The aggregate fees and expenses billed by BDO for professional services rendered for the audit of the Company's annual financial statements for the fiscal years ended December 31, 2010 and 2009, for the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q for those fiscal years, and for review of documents filed with the Securities and Exchange Commission for those fiscal years were approximately \$433,000 and \$537,000, respectively. Audit fees for 2010 and 2009 include approximately \$120,000 and \$135,000, respectively, in fees related to the audit of internal control over financial reporting.

Audit-Related Fees

The aggregate fees and expenses billed by BDO for audit-related services for the fiscal years ended December 31, 2010 and 2009 totaled \$24,000 and \$40,000, respectively. Fees for 2010 and 2009 included consulting on various accounting and reporting matters and audit of the Company's 401(K) Plan.

Tax Services

BDO was engaged to provide tax services to the Company for the fiscal year ended December 31, 2010, resulting in fees totaling approximately \$53,000. BDO was not engaged to provide tax services to the Company for fiscal year ended December 31, 2009.

The Audit Committee of the Company's Board of Directors has considered whether BDO's provision of the services described above for the fiscal years ended December 31, 2010 and 2009 is compatible with maintaining its independence.

Engagement of the Independent Auditor

The Audit Committee approves in advance all engagements with BDO and any members of the BDO Alliance network of firms to perform audit or non-audit services for us. All services under the headings Audit Fees, Audit Related Fees, and Tax Services were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X of the Exchange Act. The Audit Committee's pre-approval policy provides as follows:

- The Audit Committee will review and pre-approve on an annual basis all audits, audit-related, tax and other services, along with acceptable cost levels, to be performed by BDO and any member of the BDO Alliance network of firms, and may revise the pre-approved services during the period based on later determinations. Pre-approved services typically include: Audits, quarterly reviews, regulatory filing requirements, consultation on new accounting and disclosure standards, employee benefit plan audits, reviews and reporting on management's internal controls and specified tax matters.
- Any proposed service that is not pre-approved on the annual basis requires a specific pre-approval by the Audit Committee, including cost level approval.
- The Audit Committee may delegate pre-approval authority to one or more of the Audit Committee members. The delegated member must report to the Audit Committee, at the next Audit Committee meeting, any pre-approval decisions made.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" RATIFICATION OF THE REAPPOINTMENT OF BDO AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

PROPOSAL 3 – APPROVAL, BY AN ADVISORY (NON-BINDING) VOTE, ON THE 2010 COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

As required by Section 14A of the Securities Exchange Act of 1934 (“Exchange Act”), we are providing stockholders with an advisory (non-binding) vote on the approval of the 2010 compensation of our named executive officers (this vote is sometimes referred to as “say on pay”). Accordingly, you may vote on the following resolution at the 2011 annual meeting:

“RESOLVED, that the stockholders of the Company approve, on an advisory basis, the compensation paid to the Company’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative discussion, in the Company’s 2011 Proxy Statement.”

As described in this Proxy Statement, our executive compensation programs are designed to enable us to attract, motivate, and retain executive talent, who are critical to our success. Our compensation is centered around a pay for performance philosophy. We believe that our executive compensation program, with its balance of cash incentive designed to reward achievement of key performance goals set for the year and longer-term equity based incentives, compensates our executive for performance directly linked to stockholder value creation.

The vote on this Proposal 3 is not intended to address any specific element of compensation and is advisory, which means that the vote is not binding on the Company, our Board of Directors, and the Compensation Committee. However, our Board of Directors and our Compensation Committee value the opinions of our stockholders and will review the voting results in connection with their ongoing evaluation of the Company's compensation program and will consider the outcome of the vote when making future compensation decisions,

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THE ADVISORY (NON-BINDING) VOTE APPROVING THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

PROPOSAL 4 – RECOMMENDATION, BY AN ADVISORY (NON-BINDING) VOTE, ON THE FREQUENCY OF THE FUTURE VOTES ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

As required by Section 14A of the Exchange Act, in addition to providing stockholders with the opportunity to cast an advisory (non-binding) vote on executive compensation, the Company is providing stockholders with an advisory (non-binding) vote on whether the advisory (non-binding) vote on executive compensation should be held every one, two or three years.

The Board believes that a frequency of "every three years" for the advisory (non-binding) vote on executive compensation is the most appropriate choice for conducting and responding to a "say on pay" vote for the Company. The Board believes an advisory vote at this frequency provides our stockholders with sufficient time to evaluate the effectiveness of our overall compensation philosophy, policies and practices in the context of our long-term business results for the corresponding period, while avoiding over-emphasis on short-term or annual variations in compensation and business results. Stockholders who have concerns about executive compensation during the interval between "say on pay" votes are always encouraged to bring their specific concerns to the attention of the Board. Please refer to "Communications with the Board" in this Proxy Statement for information about communicating with the Board.

We value and consider shareholder input on corporate governance matters and on our executive compensation program and practices, and we look forward to hearing from our shareholders on this proposal.

We are requesting your advisory (non-binding) vote based on the following resolution:

"RESOLVED, that the stockholders recommend, by an advisory (non-binding) vote, whether an advisory and non-binding vote to approve the compensation of the Company's named executive officers should occur every one, two or three years."

Although this advisory vote on the frequency of the "say on pay" vote is non-binding, the Board and the Compensation Committee will take into account the outcome of the vote when considering the frequency of future advisory votes on executive compensation.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR "EVERY THREE YEARS" FOR FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION.

STOCKHOLDER PROPOSALS FOR THE 2012 ANNUAL MEETING OF STOCKHOLDERS

Any stockholder who wishes to present a proposal for consideration at the annual meeting of stockholders to be held in 2012 must submit such proposal in accordance with the rules promulgated by the Securities and Exchange Commission. In order for a proposal to be considered for inclusion in the Company's proxy materials relating to the 2012 Annual Meeting of Stockholders, the stockholder must submit such proposal in writing to the Company so that it is received no later than March 22, 2012.

Any stockholder proposal submitted with respect to the Company's 2012 Annual Meeting of Stockholders which proposal is received by the Company after June 5, 2012, will be considered untimely for purposes of Rule 14a-4 under the Exchange Act, and the Company may vote against such proposal using its discretionary voting authority as authorized by proxy. However, if the date of the 2012 Annual Meeting has changed more than 30 days from the date of this year's Annual Meeting, the notice must be received a reasonable time before we send our proxy materials for the 2012 Annual Meeting in order to be timely received.

All such proposals should be addressed to the Secretary of the Corporation, Perma-Fix Environmental Services, Inc., 8302 Dunwoody Place, Suite 250, Atlanta, Georgia 30350.

OTHER MATTERS

Other Business

The Board of Directors has no knowledge of any business to be presented for consideration at the Meeting other than as described above. Should any such matters properly come before the Meeting or any adjournment thereof, the persons named in the enclosed Proxy Card will have discretionary authority to vote such proxy in accordance with their best judgment on such matters and with respect to matters incident to the conduct of the Meeting.

Annual Report on Form 10-K

A copy of the Company's 2010 Annual Report accompanies this Proxy Statement. Upon written request, the Company will send you, without charge, a copy of its Annual Report on Form 10-K (without exhibits) for the fiscal year ended December 31, 2010, including the financial statements and schedules, which the Company has filed with the Securities and Exchange Commission. Copies of the exhibits to the Form 10-K are available upon written request, but a reasonable fee per page will be charged to the requesting stockholder. Each written request must set forth a good faith representation that, as of the record date, the person making the request was a beneficial owner of the Company's Common Stock entitled to vote at the Meeting. Stockholders should direct the written request to the Company's Chief Financial Officer at 8302 Dunwoody Place, Suite 250, Atlanta, Georgia 30350.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held August 24, 2011

Our 2011 Proxy Materials and Annual Report to Stockholders for the fiscal year 2010 are available at
<http://www.cstproxy.com/perma-fix/2011>

In order to assure the presence of the necessary quorum at the Meeting, please sign and mail the enclosed Proxy Card promptly in the envelope provided. No postage is required if mailed within the United States. The signing of the Proxy Card will not prevent your attending the Meeting and voting in person, should you so desire.

Order of the Board of Directors

Ben Naccarato
Secretary
Atlanta, Georgia
July 20, 2011

VOTE BY INTERNET OR MAIL
QUICKvvv EASYvvv IMMEDIATE

As a stockholder of Perma-Fix Environmental Services, Inc., you have the option of voting your shares electronically through the Internet, eliminating the need to return the proxy card. Your electronic vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed, dated and returned the proxy card. Votes submitted electronically over the Internet must be received by 7:00 p.m., Eastern Daylight Saving Time, on August 23, 2011.

Vote Your Proxy on the
Internet:

Go to
www.cstproxyvote.com
Have your proxy card
available when
you access the above OR
website. Follow
the prompts to vote your
shares.

Vote Your
Proxy by
mail:

Mark, sign,
and date
your proxy
card
below,
detach it,
and return it
in the
postage-paid
envelope
provided.

PLEASE DO NOT RETURN THE
PROXY CARD IF YOU ARE
VOTING ELECTRONICALLY

FOLD AND DETACH HERE AND READ THE REVERSE SIDE

PROXY
THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE
SPECIFICATIONS MADE IN ITEMS 1, 2 3, AND 4. IF THE
UNDERSIGNED MAKES NO SPECIFICATIONS, THIS PROXY
WILL BE VOTED "FOR" ITEMS 1, 2, 3, AND WILL BE VOTED FOR like this
THE "3 YEARS" FREQUENCY ON ITEM 4 AND IN THE
DISCRETION OF THE PROXIES WITH RESPECT TO ANY
MATTER REFERRED TO IN ITEM 5.

Please x
mark
your
votes

FOR WITHHOLD

FOR AGAINST ABSTAIN

AUTHORITY

1. ELECTION OF DIRECTORS	o o	2. RATIFICATION OF THE APPOINTMENT OF BDO USA, LLP AS THE INDEPENDENT AUDITORS OF THE COMPANY FOR FISCAL YEAR 2011	o o o
NOMINEES:		3. APPROVE, BY NON-BINDING VOTE, 2010 COMPENSATION OF NAMED EXECUTIVE OFFICERS	FOR AGAINST ABSTAIN o o o
01 Dr. Louis F. Centofanti	05 Larry M. Shelton		
02 Robert L. Ferguson	06 Dr. Charles E. Young		
03 Jack Lahav	07 Mark A. Zwecker	3 2 1 YEARS ABSTAIN YEARS YEARS	
04 Joe R. Reeder		4. RECOMMEND, BY NON-BINDING VOTE, THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION	o o o o

(Instruction: To withhold authority to vote for any individual nominee, strike a line through that nominee's name in the list above)

5. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting or any adjournment thereof.

COMPANY ID:

PROXY NUMBER:

ACCOUNT NUMBER:

Signature _____ Signature _____ Date _____, 2011.

Please sign exactly as your name appears herein, date and return this Proxy Card promptly, using the self-addressed, prepaid envelope enclosed for your convenience. Please correct your address before returning this Proxy Card. Persons signing in fiduciary capacity should indicate that fact and give their full title. If a corporation, please sign in full corporate name by the president or other authorized officer. If a partnership, please sign in the partnership name

by an authorized person. If joint tenants, both should sign.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held August 24, 2011. The Proxy Statement and our 2010 Annual Report to Stockholders are available at:

<http://www.cstproxy.com/perma-fix/2011>

FOLD AND DETACH HERE AND READ THE REVERSE SIDE

PROXY

Perma-Fix Environmental Services, Inc.
THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS
For Annual Meeting of Stockholders to be held August 24, 2011

The undersigned hereby appoints Dr. Louis F. Centofanti and Ben Naccarato, and each of them severally, as the undersigned's proxies, with full power of substitution, to attend the Annual Meeting of the Stockholders of Perma-Fix Environmental Services, Inc. (the "Company") at the Hilton Atlanta Airport, 1031 Virginia Avenue, Atlanta, Georgia 30354, at 11:00 a.m. (EDST), on August 24, 2011, and at any adjournment of that meeting, and to vote the number of shares of common stock of the Company held in the undersigned's name as of the close of business on July 8, 2011, as designated on the reverse side.

(Continued, and to be marked, dated and signed, on the other side)
