

CHARTER

COMPENSATION COMMITTEE

Environmental Tectonics Corporation

The Board of Directors of Environmental Tectonics Corporation (the "Company") has established a Compensation Committee (the "Committee") with authority, responsibilities, and specific duties as described below.

RESPONSIBILITY

The Committee shall review and approve the principles and policies for compensation and benefit programs company-wide; oversee the development and utilization of appropriate policies and programs to attract and retain superior individuals; monitor executive development practices in order to insure succession alternatives for the organization; evaluate the performance of the chief executive officer; and report to the Board of Directors its recommendations and observations with respect to the foregoing, and with respect to the specific duties set forth below.

The Committee shall be provided with whatever resources it needs to fulfill its responsibilities, including outside consultants, as appropriate, and shall have sole authority to retain, terminate, and determine the fees of any such consultant.

MEMBERSHIP

The Committee shall consist of three or more independent members of the Board in accordance with applicable SEC and AMEX regulations and policies. In addition, the Chairman of the Board and the Chief Executive Officer may participate on a non-voting basis. Members of the Committee who do not meet "outside" director qualifications set forth under Internal Revenue Code ("IRC") Section 162(m) will not be eligible to participate in discussions regarding awards made in connection with IRC 162(m) qualified plans.

MEETINGS

The Committee will meet three times each year with additional meetings as it may deem appropriate.

MINUTES

Minutes of each meeting will be prepared and approved by the Committee prior to submission to the full Board. Minutes of all meetings shall be maintained in the Corporate Record Book.

SPECIFIC DUTIES

1. Annually review and approve the corporate goals and objectives of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of these goals, and set appropriate compensation levels based on this evaluation and market data.
2. Review and approve management's recommendations and provide guidance on matters relating to senior officer compensation and appointments. Senior officers shall be defined as any officer who reports directly to the Chief Executive Officer and any other officer of the Company or its subsidiaries so designated by the Chief Executive Officer.

3. Review and approve annual and long term incentive compensation programs for Senior Officers, including plan design, documentation, and incentive amounts, and perform the duties set forth in the approved programs, such as evaluation of performance against goals and determination of payouts.
4. Provide a report to shareholders for the annual proxy statement on executive compensation policies and criteria, as required by law.
5. Annually review executive development and succession plans for Senior Officer positions.
6. Annually Review management's assessment of the effectiveness of its human resources policies and programs.
7. Perform all the duties required of the Committee in connection with any long term incentive plan promulgated by the Company or Board of Directors and any subsequent plans, as set forth in such plans.
8. Conduct an annual evaluation of the Committee's performance, review committee member qualifications, and make recommendations to the Nominating and Governance Committee regarding committee member appointments and removals.
9. Review periodically the Committee's charter, and make appropriate recommendations to the Nominating and Governance Committee.

Approved by the Board of Directors
Environmental Tectonics Corporation

May 28, 2004