

COMPENSATION COMMITTEE CHARTER

Adopted by the Board of Directors of Environmental Tectonics Corporation

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

Authority and Responsibilities

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 ensure 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 and specific duties set forth below, 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 at least three members who at all times shall be members of the Board of Directors, all of whom, individually and as a group, meet all applicable independence and experience qualifications as required by law, including without limitation, the Securities Exchange Act of 1934, as amended, and any regulations promulgated thereunder, as well as the requirements of any other principal securities exchange or market on which the Company’s common stock may be listed or approved for trading from time to time. The members of the Committee shall be appointed by annual resolution of the Board of Directors.

In addition, the Chairman of the Board and the Chief Executive Officer may participate in all Committee meetings on a non-voting basis.

Meetings

The Committee will meet at least two times per calendar 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 (during the first half of each calendar year and after the end of ETC's fiscal year) evaluate the Chief Executive Officer's performance in light of the goals and objectives set forth in the previous year's bonus plan, and set appropriate compensation for the Chief Executive Officer based on this evaluation and other relevant market data.
2. Annually review and approve the bonus plan of the Chief Executive Officer for the upcoming fiscal year. The Committee suggests that the Chief Executive Officer organize the bonus plan as follows:

Financial Performance (short and long-term objectives)

Sales and margin goals, equity returns, shareholder value, capital investment, resource allocation, etc.

Management

Succession planning, staffing, management and organizational structure, operational performance criteria

Leadership

Mission and vision sharing, organizational communications, priority setting, accountability, personal conduct and ethics

Board and Stockholder Relations

Communications, director utilization, investor relations, etc.

3. Review and approve management's recommendations and provide guidance on matters relating to Senior Officer compensation. Senior Officers shall be defined as any officer who reports directly to the Chief Executive Officer. Ensure that the compensation philosophy for the Senior Officers adheres to ETC's Code of Ethics and Code of Conduct.
4. Periodically or when appropriate, review and approve any employment agreements and severance agreements for the Chief Executive Officer and Senior Officers.

5. Administer ETC's 2009 Employee, Director and Consultant Stock Plan, and review and approve any other equity-based compensation program prior to implementation.
6. Provide a report on executive compensation for the annual proxy statement, to the extent required by law.
7. At least annually, review and reassess the Committee's charter, and, if appropriate, recommend changes to the Board.

Approved by the Board of Directors
Environmental Tectonics Corporation
July 27, 2010