

COMPENSATION COMMITTEE CHARTER

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, and a majority of such members shall be independent. For purposes hereof, the term “independent” shall mean an “independent director” as defined by Rule 5605(a)(2) under the Rules of the Nasdaq Stock Market (as such definition may be amended from time to time) without reference to any more stringent definition in the Nasdaq Rules relating to members of any committee of the board of directors (e.g., Audit Committee or Compensation Committee). The members of the Committee shall be appointed by annual resolution of the Board of Directors, and the members of the Committee shall appoint a Chairperson of the Committee.

In addition, the Chairman of the Board and the Chief Executive Officer may participate in all Committee meetings on a non-voting basis, except that the Chief Executive Officer may not be present during voting or deliberations on his compensation.

Meetings

The Committee will meet at least two times per calendar year, one in late February or early March and one in April or May (after ETC's audited financial statements are issued), 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 recommend to the Board appropriate compensation for the Chief Executive Officer based on this evaluation and other relevant market data.
2. Annually review and consider the bonus plan of the Chief Executive Officer for the upcoming fiscal year, as recommended by the Chief Executive Officer, and approve and recommend to Board such plan. 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 consider the Chief Executive Officer's recommendations on the Senior Officer compensation plan for the upcoming fiscal year, and approve and recommend to the Board such plan. The Senior Officers are the President, the Chief Financial Officer, the Secretary, the Chief Operations Officer, the Vice President – Contracts / Purchasing, the Vice President & General Counsel and the Chief Compliance Officer. Ensure that the compensation philosophy for the Senior Officers adheres to ETC's Code of Ethics and Code of Conduct. The Committee's approval and recommendation to the Board of Senior Officer compensation plan for the upcoming fiscal year (including review and consideration of the Chief Executive Officer's recommendations) will be conducted annually, concurrent with the finalizing of ETC's annual budget for such year.
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 of Environmental Tectonics Corporation on April 23, 2014.