


**Fuel Tech, Inc.****FTEK NASDAQ****Environmental Services**

Market Capitalization USD:

\$141.63 mm**CONCERN LEVEL: AVERAGE**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Douglas G. Bailey**Age: 62****CEO Since: 2010**

	2009	2010	2011
Base Salary	\$500,000	\$292,500	\$450,000
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$0	\$73,000	\$445,575
Benefits and Perquisites	\$27,762	\$3,837	\$14,384
TOTAL ANNUAL COMPENSATION	\$527,762	\$369,337	\$909,959
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$298,890	\$0	\$0
Stock Awards	\$0	\$215,750	\$292,480
TOTAL COMPENSATION	\$826,652	\$585,087	\$1,202,439
Median of Other Named Executive Officers Total Compensation	\$428,540	\$455,511	\$580,059
Value Realized on Exercise of Stock Option	\$0	\$0	\$140,700
Value Realized on Vesting of Stock	\$0	\$0	\$0
TOTAL REALIZED EQUITY COMPENSATION	\$0	\$0	\$140,700

Proxy Date: 11 Apr 2012

Annual Meeting Date: 24 May 2012

Equity Reserves: 14.19%

Stock Option Run Rate: 0.96%

Performance Comparison

■ S&P500 ■ Industry ■ FTEK



Peer Comparisons (TRBC) =Environmental Services

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
FTEK	Fuel Tech, Inc.	\$826,652	\$585,087	\$1,202,439	\$141,626,877
ECOL	US Ecology, Inc.	\$515,889	\$1,168,142	\$951,782	\$283,265,198
PMFG	PMFG, Inc.	\$516,040	\$827,641		\$279,817,644
HCCI	Heritage-Crystal Clean, Inc.	\$581,122	\$738,061	\$715,001	\$260,161,104
CWST	Casella Waste Systems, Inc.	\$431,923	\$759,124		\$141,422,595
PRMW	Primo Water Corporation		\$403,292	\$889,733	\$133,747,264
MPR	Met-Pro Corporation	\$671,899	\$718,046		\$125,778,896

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

A123 Systems, FuelCell Energy, Active Power, Met-Pro, ADA-ES, Peerless Manufacturing, American Superconductor, Plug Power, Amerigon, Power Integrations, Ballard Power Systems, Quantum Fuel Systems, Capstone Turbine, RenTech, CECO Environmental, Syntroleum, Clean Energy Fuels, Fuel Systems Solutions, Energy Conversion Devices.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Thomas L. Jones	Chairman	60	Male	7	Outside
Delbert L. Williamson	Member	73	Male	4	Outside
Thomas S. Shaw	Member	64	Male	11	Outside Related