

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION COMPENSATION COMMITTEE CHARTER

Organization

The compensation committee (the "Committee") is a standing committee of the Board of Directors (the "Board") of Northern Technologies International Corporation (the "Company"). This charter shall govern the operations of the Committee.

Purpose and Authority

The primary purpose of the Committee is to:

- provide assistance to the Board in fulfilling its oversight responsibility relating to compensation of the Company's Chief Executive Officer ("CEO") and other executive officers;
- work with the Chairman of the Board to set the objectives for the CEO;
- administer the Company's equity compensation plans;
- review, assess and approve overall strategies for attracting, developing, retaining and motivating Company management and employees;
- oversee the development and implementation of succession plans for the CEO and other key executive officers and employees; and
- review, assess and approve overall compensation structure on an annual basis.

The Committee has the power and authority to retain or obtain the advice of a compensation consultant, legal counsel or other adviser and shall have the sole authority to select, retain, oversee and terminate such consultants, counsel and advisors and approve the fees and other retention terms of such consultants, counsel and advisors, as it deems appropriate. If required under applicable laws, rules and regulations, however, before selecting any such consultant, counsel or advisor and from time to time as the Committee deems appropriate, the Committee shall review and consider factors relevant to the independence of such consultant, counsel or advisor from management in accordance with applicable laws, rules and regulations. The Company shall provide adequate and appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee and to fund other ordinary administrative expenses that are necessary or appropriate for the Committee in carrying out its responsibilities.

Membership and Structure

The Committee shall consist of at least two directors. Each member of the Committee shall be an "independent director" within the meaning of the Listing Rules of the NASDAQ Stock Market, a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and otherwise independent as required under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. The Board shall be responsible for determining whether a Committee member is an "independent director" and meets the other qualifications. Notwithstanding the foregoing, the Board may decide at any time and in its sole discretion to waive one or more of the foregoing qualifications with respect to a new member of the Committee for a transitional time period if then permitted under applicable laws, rules and regulations.

Appointment to the Committee, including the designation of the Chair of the Committee, shall be made on an annual basis by the full Board. Meetings of the Committee shall be held at such times and places as the Committee shall determine, including by written consent. The Committee may invite members of management, compensation consultants or other advisors to attend meetings and provide pertinent information. When necessary, the Committee shall meet in executive session outside of the presence of any senior executive officer of the Company. The Chair of the Committee shall report on activities of the Committee to the full Board. In fulfilling its responsibilities, the Committee shall have authority to delegate its authority to subcommittees, in each case to the extent permitted by applicable law, and in each case each member of such subcommittee must be an "independent director" within the meaning of the Listing Rules of the NASDAQ Stock Market, a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and otherwise independent as required under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

Duties and Responsibilities

The Committee shall have the power and authority of the Board to perform the following duties and to fulfill the following responsibilities:

- recommend to the Board for its determination, the annual salaries, incentive compensation, long-term compensation and any and all other compensation applicable to the Company's executive officers; provided, however, that notwithstanding the Committee's authority to invite members of Company management to attend Committee meetings, the Company's executive officers may not be present during the Committee's or Board's deliberations or voting concerning their specific compensation arrangements;
- establish, and from time to time review and revise, corporate goals and objectives with respect to compensation for the executive officers and establish and lead a process for the full Board to evaluate the performance of the executive officers in light of those goals and objectives;
- review and make recommendations to the Board regarding employment agreements, severance arrangements, deferred compensation arrangements, change in control agreements/provisions and any other similar compensation arrangements, in each case as, when and if appropriate, for the Company's executive officers;
- administer the Company's equity compensation plans and recommend to the Board for its determination grants of options or other equity-based awards for executive officers, employees and independent consultants under the Company's equity compensation plans;
- make recommendations to the Board with respect to any new equity compensation plan or any amendments to any existing equity compensation plan;
- review and make recommendations to the Board on compensation-related proposals to be considered at the Company's annual meeting of stockholders, including the frequency with which the Company should submit to stockholders an advisory vote on executive compensation, or say-on-pay vote;
- recommend to the Board for its determination the terms of the Company's incentive compensation plans applicable to the Company's executive officers, including the annual establishment of (i) eligible employees, (ii) performance goals, and (iii) target incentive compensation levels;
- review the Company's policies with respect to employee benefit plans;

- review and discuss with the CEO and report periodically to the Board plans for executive officer development and corporate succession plans for the CEO and other key executive officers and employees;
- establish and from time to time review and revise processes and procedures for the consideration and determination of executive compensation, including the role of executive officers in determining or recommending the amount or form of executive compensation and any role of compensation consultants in determining the amount or form of executive compensation;
- review and discuss with management the “Compensation Discussion and Analysis” section to be included in the Company’s annual proxy statement or annual report on Form 10-K, if required, and based on such discussions, recommend to the Board whether the “Compensation Discussion and Analysis” section should be included in the Company’s annual proxy statement or annual report on Form 10-K, and if required, prepare, in accordance with applicable SEC rules and regulations, an annual “Compensation Committee Report on Executive Compensation” for inclusion in the Company’s annual proxy statement or annual report on Form 10-K;
- review and discuss at least annually, if required, the Company’s compensation policies and practices as they affect all employees and relate to risk management practices and risk-taking incentives, and review and monitor all significant compensation policies and benefit plans to ensure continued appropriateness, including overall employee salary policies and equity-based programs for all categories of employees;
- perform any other activities consistent with this charter, the Company’s bylaws and governing law as the Committee or the Board deems appropriate; and
- review and reassess the adequacy of this charter at least annually and recommend any proposed changes to the charter to the Board.

Approved by the
Board of Directors of Northern Technologies International Corporation:
November 19, 2013