



NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION

FREQUENTLY ASKED QUESTIONS

Cash Dividend

Summary

On November 20, 2017, we announced that our Board of Directors declared a quarterly cash dividend per share of NTIC common stock. As a result, each stockholder will receive \$0.10 per share of NTIC common stock for each share held on December 8, 2017, the record date. The payable date for the cash dividend will be December 21, 2017, and on or about December 7, 2017, our stock will trade on the Nasdaq Global Market “ex-dividend” which means without the right to receive the cash dividend.

To assist our stockholders and investors in their understanding of the cash dividend, we are providing answers to the following frequently asked questions:

Q. What is the effective date of the cash dividend?

A. As mentioned above, there are several key dates:

- The record date—December 8, 2017—which is the date that determines which stockholders are entitled to receive payment of the cash dividend.
- The payable date—December 21, 2017— which is the date when the cash dividend is paid to each stockholder.
- The ex-dividend date—on or about December 7, 2017—which is the date when NTIC common stock will start trading on the Nasdaq Global Market without the right to receive the cash dividend.

Q. How much will I receive for my shares of NTIC common stock?

A. Each stockholder will receive \$0.10 per share of NTIC common stock for each share held on December 8, 2017, the record date.

Q. Why did the Board of Directors declare the cash dividend now?

- A.** Our Board of Directors made the decision to declare the cash dividend at this time in light of our strong balance sheet, record net sales, improved profitability and as a sign of confidence in our favorable business outlook. NTIC's balance sheet remains strong, with no debt, and working capital of \$21,173,000 at August 31, 2017, including \$5,917,000 in cash and cash equivalents and \$3,767,000 in available for sale securities.

Q. How does the cash dividend affect outstanding shares and stock options?

- A.** The cash dividend will be paid on December 21, 2017 on each share of NTIC common stock held of record on December 8, 2017, the record date. The cash dividend will not be paid on any outstanding stock options. If you hold stock options and desire to receive the quarterly cash dividend, then you must exercise your vested options prior to December 8, 2017.

Q. My shares are held in street name in a brokerage account. How will I receive my cash dividend?

- A.** If you hold your shares of NTIC common stock in street name in a brokerage account, your cash dividend will be transmitted to your broker automatically with no action required on your part. Please contact your broker directly with any questions regarding your brokerage account.

Q. Who will send notice of the cash dividend to me and where will the notice be sent?

- A.** If you hold your shares of NTIC common stock in street name in a brokerage account, you will be notified by and receive the cash dividend from your broker at the address your broker currently has on file. Please contact your broker directly to confirm your mailing address or with any questions regarding your brokerage account.

If you have stock certificates or hold your shares directly with Broadridge Financial Solutions, our transfer agent, you will be notified by Broadridge at your address currently on file with the transfer agent. It is very important that you ensure that your address on file with Broadridge is current at all times. If Broadridge is unable to contact you with stockholder notices because your address is outdated, you run the risk of having your cash dividend on NTIC common stock escheat to the state of your last known residence and losing all rights to your cash dividend in accordance with certain state laws. To verify your address, please contact Broadridge using the contact information set forth below.

Q. What happens if I purchase or sell shares of NTIC common stock after the ex-dividend date but on or before the payable date?

A. Stockholders are generally entitled to receive the cash dividend on NTIC common stock if they own or purchase shares of NTIC common stock up to and including the December 7, 2017, ex-dividend date. More specifically:

- If you purchased shares of NTIC common stock prior to and held those shares until the December 7, 2017 ex-dividend date, you are generally entitled to receive the cash dividend.
- If you purchased shares of NTIC common stock between the December 7, 2017, ex-dividend date, and the December 21, 2017, payable date, you are not entitled to the cash dividend on the shares you purchased.
- If you sell your shares of NTIC common stock before the December 7, 2017, ex-dividend date, you are not entitled to the cash dividend on those shares.

Q. Are there any personal income tax consequences as a result of the cash dividend?

A. From a U.S. federal tax standpoint, the cash dividend is a taxable event.

If you hold your shares of NTIC common stock in street name in a brokerage account, your broker will either withhold taxes from the cash dividend before sending it to you or provide you with a 1099-DIV.

If you have stock certificates or hold your shares directly with Broadridge Financial Solutions, our transfer agent, it will send out 1099-DIV to all stockholders who are classified in the United States and are “natural persons.” For each stockholder who does not have a tax identification number on file with Broadridge, Broadridge will withhold taxes before sending the cash dividend to those stockholders.

Stockholders, and particularly foreign residents, should consult with their personal tax advisor regarding their specific tax circumstances.

Q. Who do I contact if I have questions about:

- Cash dividend
- Change of address
- Lost stock certificates
- Transfer of stock to another person
- Additional administrative services

- A.** You should contact Broadridge Financial Solutions, our transfer agent, at the following:

Broadridge Financial Solutions
51 Mercedes Way
Edgewood, NY 11717
Telephone: 855-588-5049
E-mail: shareholder@broadridge.com