

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 (Chief Financial Officer and Chief Technology Officer);
- advise the CEO on setting objectives for the Company as well as the Executive Officers;
- administer the Company's equity compensation plans;
- review, assess and advise the Company on its ability to attract, develop, retain and motivate Company management and employees; and
- review, assess and approve overall compensation structure on an annual basis.

The Committee has the power and authority to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary or appropriate to carry out its duties and responsibilities. The Company shall provide appropriate funding, as determined by the Committee, for any advisors employed by the Committee as well as for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

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 rules and regulations established by the American Stock Exchange, a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Board shall be responsible for determining whether a Committee member is an "independent director" and meets the other qualifications.

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 rules and regulations established by the American Stock Exchange, a "non-employee director" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

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;
- 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;
- 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;
- 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;
- 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 16, 2007