



Employee Benefits Benchmarking



2023

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About the Company

Northern Technologies International Corporation (NASDAQ Ticker Symbol: NTIC) is in the business of developing innovative, environmentally beneficial materials science-based products and services for industrial and consumer applications.

Our focus on commercializing technologies that make industrial operations cleaner and greener, depends heavily on the ingenuity, talent, creativity, perseverance, and integrity of our global employees and partners.

Technologies that allow our customers to reduce the environmental footprint of their global operations.

ZERUST[®] EXCOR[®]

Natur-Tec[®]

Zerust[®] OIL & GAS
WORLDWIDE CORROSION SOLUTIONS

In 1979, two leading researchers from NTIC's R&D team filed a patent on the world's first volatile corrosion inhibitor ("VCI") plastic packaging and, thereby, laid the foundation for revolutionizing how industrial metal components are protected from corrosion as they are shipped and stored around the world. Up to that point in time, it was standard practice in factories everywhere to dip or spray metal parts in hazardous greases and oils, which, in turn, would have to be washed off again when the parts arrived at the next factory in the supply chain or were pulled from long-term storage. Instead, NTIC's VCI packaging released invisible, odorless, non-toxic molecules inside a package that would form a protective shield on exposed metal surfaces and would dissipate harmlessly back into the atmosphere once the clean and dry parts were removed from the packaging.

From this one pivotal innovation, NTIC has since grown into a global provider of cutting-edge corrosion prevention products and services as well as certified compostable bio-plastic compounds and products, with sales and technical support reaching more than 85 countries.

Consistent with our desire to expand our offering of environmentally beneficial clean technologies to the public, we developed certified compostable bioplastics through our Natur-Tec[®] line of products to further reduce any negative impact on the environment.

We believe that our responsibilities are first to our worldwide customers, then to our people, next to our communities, and finally to our shareholders. Therefore, we must:

- Exercise honor, humanity, and disciplined management in our actions.
- See a unified world through the global perspectives of our people.
- Ensure that the environment becomes a better place because of what we do.
- Invest continuously in our future.

Our Employees & Benefits

Investing in our employees to create a sustainable workforce is a key focus at NTIC. We provide career and leadership development, continuing education, and training opportunities, to enable employees at all levels to expand their skills. In addition, for today's competitive labor market, NTIC has benchmarked salary, medical, dental, vision, life insurance, disability, PTO, 401k, and a stock purchase plan with other Midwest companies of similar size, in order to verify that NTIC has established fair and competitive pay levels and benefits, helping us attract and retain exceptional talent.



NTIC is an equal-opportunity employer at all levels of operation. We are dedicated to maintaining a work environment in which all employees are treated with the dignity, decency, and respect they deserve.

NTIC has implemented the Equal Opportunity, Non-Discrimination, and Anti-Harassment Policy as a part of its commitment to compliance with all applicable legal and ethical requirements. We believe that adherence to this policy furthers the Company's mission, promotes productivity, minimizes disputes, and enhances our reputation.

Its purpose is to clearly communicate the Company's requirement for all employees to interact in a professional manner and contribute to a work environment that reflects the spirit of equal employment opportunity free from prohibited harassment, discrimination, and/or retaliation. It also establishes our procedure for reporting and the process for responding to claims of behavior in violation of this policy.

Northern Technologies International Corporation Diversity Metrics



41%

of our workforce
is female

40%

of our management
team is female

27%

of our workforce
is racially or
ethnically diverse

23%

of our management
team is racially or
ethnically diverse

6%

of our U.S. workforce are veterans

401(k) Plan

NTIC employees have immediate eligibility in our 401k plan. Employees are also immediately vested upon contributing to the plan. NTIC may, in its sole discretion, make a profit-sharing contribution to NTIC's 401(k) plan on behalf of eligible employees. Cash bonuses and profit-sharing contributions are ways NTIC shares the success of NTIC with employees and as a tangible gesture of goodwill. NTIC, in its sole discretion, determines the eligibility, amount, and method of calculating cash bonuses and whether NTIC will make a profit-sharing contribution to the 401(k) plan in any particular year. The terms of the 401(k) plan govern which employees are eligible for the profit-sharing contribution and the amount allocated to their individual 401(k) plan accounts.

	NTIC	Companies with \$5-50 million plan assets
Eligibility		
Immediate upon hire	√	28.8%
3-months service		33.0%
After 4-11 months		15.1%
After 1-year		23.1%
Plan Type Offered		
401(k)	√	91.9%
Equity comp / ESPP	√	5.7%
Loans		
Loans offered	Yes	79.8% allows loans
Number of loans allowed	2+	54.8% that allow loans allow 1 max
Employer Contributions		
Profit sharing	√	49.8%
Company match	√	75.4%
Percentage of plans offering both match & profit sharing	√	10%
Vesting		
Immediate	√	31.4%
Fees (All inclusive)		
Fees	0.79%	0.96%
Participation		
Participation rate	100%	68%
Deferral		
Deferral rate	8.10%	8%



Stock Purchase Plan

The purpose of the Employee Stock Purchase Plan (the “Plan”) is to provide employees with a convenient and inexpensive means to purchase and sell shares of NTIC (the “Company”) at a 10% discount of the fair market value.

In addition, such investments give employees an interest in providing for the continued success of the business, encourage regular and scheduled investing, and are a means of supplementing individual savings programs.

Employees may participate in the plan if they have attained the age of majority in the state in which they reside and have worked 90 days of full-time employment. Employees become eligible in the period following the period in which they sign up.

In order to participate, a Deduction Authorization Form must be completed, which may be obtained from the accounting department. Participation and deductions will begin as soon as practicable after the accounting department receives the form. Participation in the plan is entirely voluntary, and withdrawal is allowed at any time.

What is an Employee Stock Purchase Plan?

This benefit is available to eligible employees to enable them to buy a share of NTIC stock at a 10% discount.

How does it work?

The average share price is calculated at the beginning and end of each 6-month period (3/1 & 9/1) using the closing price for five days surrounding the beginning and end of the period. Then, every plan participant will be able to buy shares at 10% below the lower average price.

Example

An employee has \$100 withheld from their paycheck for 6 months, 13 pay periods x \$100=\$1,300 to buy stock

- Average share price at the beginning of the period = \$10.00
Average share price at the end of the period = \$11.00
- \$10.00 (the lower of the two avg. prices) x 90% = \$9.00
- $\$1,300 \div \$9.00 = 145$ shares purchased

What is the benefit?

Not only do participants get to acquire ownership in the company they work for so they can profit as they help to make it prosper, but there is an immediate financial gain as well.

The 145 shares acquired in the example above are actually worth \$1,595 (=145 x \$11.00), meaning an immediate unrealized gain of **\$295** (= \$1,595 - \$1,300).

How do participants make a withdrawal?

At any time, participants may terminate the plan by giving written notice. You then have two options:

1. Receive certificates for the whole shares in your account (cash for any fractional share)
2. Sell all shares and receive the proceeds less and commission and service fees



Medical & Rx Plan

NTIC offers a medical plan through Medica. The plan has no copays required to be paid by employees. NTIC also pays the entire premium costs for employees, so employees are not required to contribute towards monthly premium costs. As you can see from the comparisons below, most companies have coinsurance costs associated with their plans and also require employees to pay premium costs monthly. Not requiring copays saves an average of \$2,000 annually for employees electing single coverage and an average of \$7,000 annually (just for copays) for employees electing family coverage. NTIC also offers a waiver credit of \$2,000 annually for employees who waive our medical coverage. NTIC also has an employee-funded HSA that employees can contribute to annually with pre-tax income.

2020 Mercer Survey

PPO Medical Plan Design

	NTIC 2022	Midwest Company Average	*Small Employers
Physician Office Visit	1500 Plan		
In-Network Copay	\$0	\$25	\$25
In-Network Coinsurance	None after Deductible	20%	20%
In-Patient Hospital			
In-Network Coinsurance	None after Deductible	20%	20%
Out-of-Pocket Maximum (Single)			
Median In-Network	\$1,500	\$3,000	\$5,000
In-Network Deductible			
Single (Median Amount)	\$1,500	\$800	\$2,000
Family (Median Amount)	\$3,000	\$2,000	\$4,000

NTIC offers medical insurance through Medica. This plan has no copays, and employees are not required to contribute toward premium costs.

Plan Costs and Contributions

	NTIC 2022	Midwest Company Average	*Small Employers
PPO Employee Contribution (Single)			
Average Contribution as % of Premium	0%	24%	25%
Average Annual Contribution	\$0	\$1,848	\$1,848
PPO Employee Contribution (Family)			
Average Contribution as % of Premium	0%	28%	36%
Average Annual Contribution	\$0	\$6,384	\$7,752

* <500 Employees



Dental & Vision Plan

NTIC recognizes that dental and vision needs are important to employee health. Through the NTIC Dental Plan, employees and their families have access to both preventative care and major services at the percentages listed below. In addition, if an employee decides to elect Vision Insurance, they will have access to frames and lenses at discounted rates at local Eyemed providers.

2022 Guardian Dental Small Employer Plans

	NTIC 2022	Small Employer
Maximum Benefit Amount	\$2,000	\$1,000
Individual Deductible	\$25	\$50
Preventive Care	100%	100%
Basic Services	80%	80%
Major Services	50%	50%
Ortho Maximum	\$1,000	\$1,000
Offers Adult Ortho	Yes	4.2% Offer

Dental Plan: 2022 Bi-Weekly Contributions

Single	\$3.00
Single + Spouse	\$20.00
Single + Child(ren)	\$22.00
Family	\$22.00



NTIC offers a dental plan through MetLife with immediate eligibility.

2022 EyeMed Book of Business in Manufacturing & Tech

	NTIC 2022	Manufacturing	Tech
Exam Copay	\$10	\$10	\$10
Frequency (Exam/Lenses/Contacts/Frames)	12/12/12/24	12/12/12/24	12/12/12/12
Coinsurance	100%/80%/50%	100%/80%/50%	100%/80%/50%
Lens Copay	\$25	\$25	\$10
Allowance (Frames/Contacts)	\$140/\$140	\$140/\$155	\$130/\$100

Vision Plan: 2022 Bi-weekly Contributions

Single	\$2.94
Single + Spouse	\$5.56
Single + Child(ren)	\$5.85
Family	\$8.59



NTIC offers a vision plan through EyeMed with immediate eligibility.

Life Insurance, Long-Term & Short-Term Disability Plans

NTIC has a very generous short-term disability plan that is funded and administered in-house, and there is no cost to employees. NTIC also has Long-Term Disability, Life Insurance, and Accidental Death & Dismemberment (AD&D) coverage through Mutual of Omaha offered to employees at no cost.

Life Insurance

	NTIC 2022
Life Insurance Plan	
Benefit Schedule	\$50,000
Eligibility Waiting Period	Eligible Date of Hire

Long-Term Disability

	NTIC 2022
Long-Term Disability Plan	
Benefit Percentage	60% of annual salary*
Maximum Benefit Amount per year	\$72,000
Eligibility Waiting Period	Eligible Date of Hire
Elimination Period	90 Days
Maximum Benefit Duration	SSNRA

*60% of salary up to \$10,000 per month or \$120,000 annually.



The Short-Term Disability plan is funded and administered by NTIC and is offered at no cost to employees.

Short-Term Disability

	NTIC 2022
Short-Term Disability Plan	
Coverage Amount	70% of salary
Eligibility Waiting Period	One Year
Elimination Period	15 Days Accident/Illness *Waiting period waived for birthing a child
Maximum Benefit Period	12 Weeks *After 12 weeks, employees may be eligible for Long Term Disability through Mutual of Omaha

Life & Long-Term Disability plans are offered at no cost to employees and have immediate eligibility.

Paid Holidays & Vacation Days Per Year of Service

Regular full-time employees are eligible for paid holidays during each calendar year, and part-time employees will be paid 6 hours a day for each paid holiday. To receive holiday pay, employees must work the regularly scheduled workday before and after the holiday. If the holiday falls on a day that is not a typical workday, NTIC may not pay for the holiday. However, the CFO may substitute a normal workday for a paid holiday. Please see the chart below for all paid holidays.

Employees are granted vacation based on their length of service with NTIC. Please see the accrual schedule below. Reset dates for vacation are the employee's hire date, and vacation time cannot be carried over from year to year. *There is a separate accrual schedule for part-time employees.

International Foundation of Employee Benefit Plans (IFEBP) Employee Benefits Survey - 2020



Paid Holidays

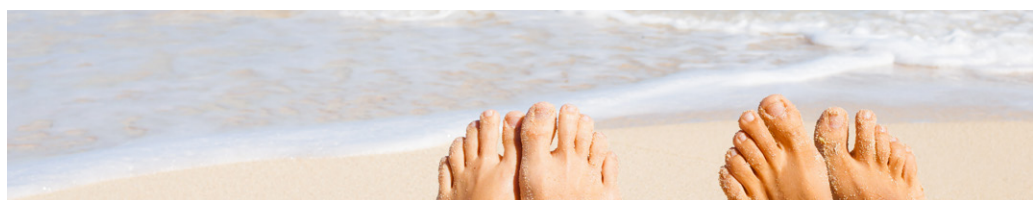
	NTIC 2022	Corporations
Holiday		
New Year's Day	√	96.7%
Martin Luther King Jr. Day		43.0%
President's Day		34.8%
Good Friday		30.5%
Easter		19.8%
Easter Monday		3.7%
Memorial Day	√	93.4%
Juneteenth (June 19)		7.6%
Independence Day (July 4)	√	91.2%
Labor Day	√	94.4%
Columbus Day		9.7%
Veteran's Day		16.0%
Thanksgiving Day	√	95.7%
Friday after Thanksgiving	√	77.0%
Christmas Eve	√	54.9%
Christmas Day	√	94.9%
Full week between Christmas Day and New Year's Eve		7.8%
New Year's Eve	√	32.3%
None		2.1%

	NTIC 2022	Corporations
Day of hire		
None, no vacation days allowed		25.7%
One to four days		6.6%
Five days		12.4%
Six to nine days		4.0%
Ten days		20.4%
11-14 days		8.4%
15 days	√	17.3%
16-19 days		1.8%
20 days		2.2%
21 days or more		1.3%
One year of service	NTIC 2022	Corporations
None, no vacation days allowed		40.0%
One to four days		90.0%
Five days		15.0%
Six to nine days		4.9%
Ten days		37.2%
11-14 days		11.9%
15 days	√	20.8%
16-19 days		3.5%
20 days		3.5%
21 days or more		1.8%

Vacation Days Per Year of Service

	NTIC 2022	Corporations
Five years of service		
Nine days or fewer		1.8%
Ten days		12.4%
11-14 days		7.1%
15 days		43.4%
16-19 days		9.3%
20 days	√	16.8%
21-24 days		4.9%
25 days		2.7%
26 days or more		1.8%
Ten years of service	NTIC 2022	Corporations
14 days or fewer		4.4%
15 days		20.4%
16-19 days		7.1%
20 days		40.7%
21-24 days		8.8%
25 days	√	10.6%
26-29 days		3.5%
30 days		2.2%
31 days or more		2.2%

NTIC Accrual Schedule	
0-5 years of service	120 hours/15 days
5 years, but less than 10 years	160 hours/20 days
10 years +	200 hours/25 days

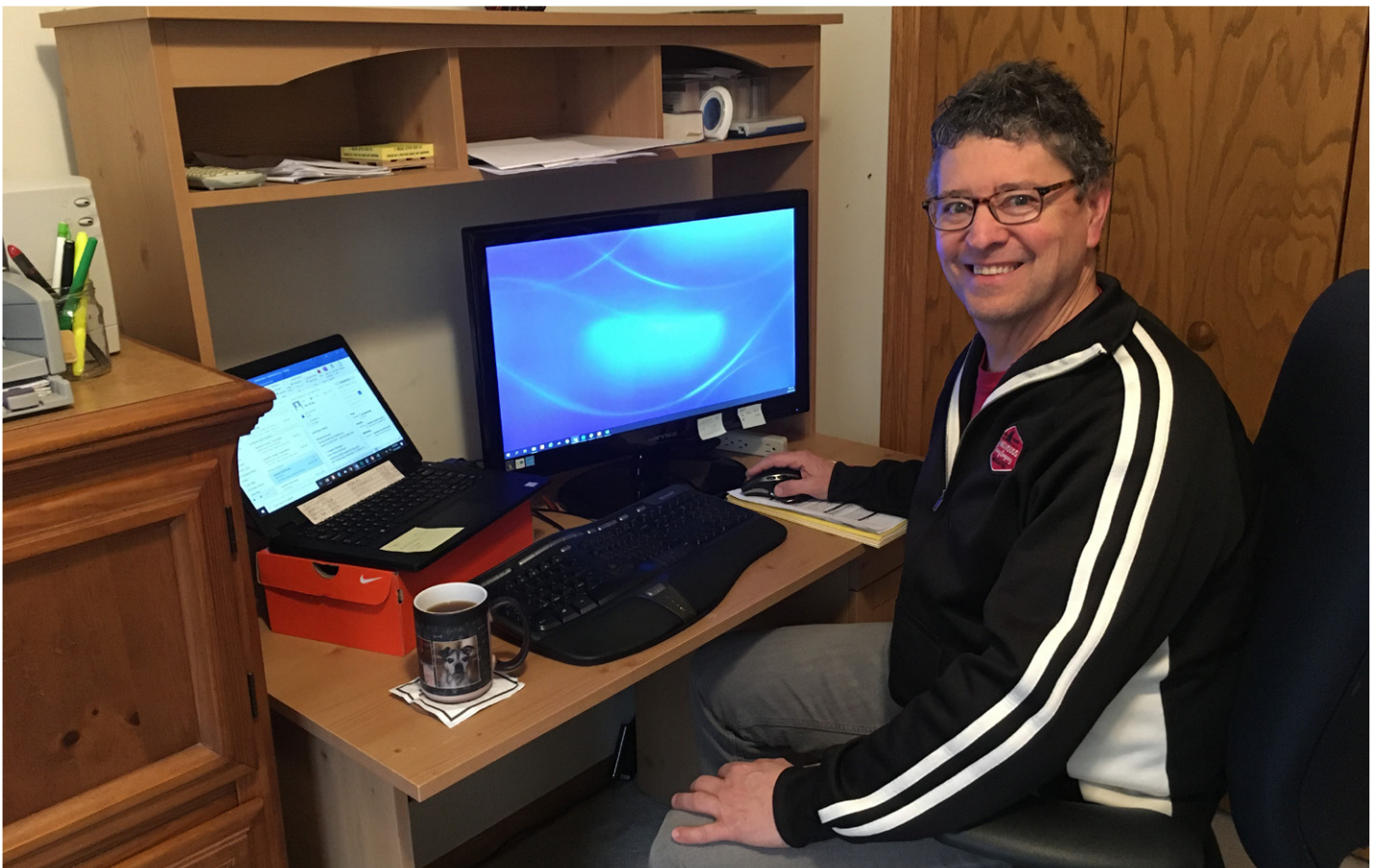


Flexible Work Options

NTIC allows office staff employees the ability to telecommute and work from a home office. All office staff employees are required to be in the office on Tuesdays each week and then can work from home the remaining days of the week.

International Foundation of Employee Benefit Plans (IFEBP) Employee Benefits Survey - 2020

	NTIC 2022	Midwest Company Average
Flexible Work Options		
Flexible work hours/compressed work weeks		47.9%
Flexible work schedules for religious observances		17.7%
Job sharing (two or more part-time workers share one full-time job)		3.7%
Summer Hours		15.6%
Telecommuting/working from home	Yes* *Varies by Department	74.3%



Employee Total Compensation Package

NTIC offers a very competitive benefits package as an integral component of total compensation. As shown in the comparison below, our benefit plan is well above and beyond what other companies offer and saves employees thousands of dollars in premiums each year in coinsurance and premium costs. NTIC also has a competitive 401k plan that offers immediate eligibility, immediate vesting, and a competitive match. On top of that, NTIC offers profit-sharing contributions on top of a competitive 401k plan.

MEDICAL

SINGLE PERSON Health Care	NTIC	Avg Small Employer	
Annual Payroll Deductions (Premiums)	None	\$1,848	
Deductible	\$1,500	\$2,000	Pay 100% up to this amount
Out-of-Pocket Maximum	\$1,500	\$5,000	NTIC plan provides 100% coverage after the deductible is met. Most plans require you to continue to pay a portion of your medical costs (20% / 80%) up to an additional out-of-pocket maximum after meeting your deductible.
TOTAL POTENTIAL OUT-OF-POCKET COSTS	\$1,500	\$6,848	
Family Health Care	NTIC	Avg Small Employer	
Annual Payroll Deductions (Premiums)	None	\$7,752	
Deductible	3,000	\$4,000	Pay 100% up to this amount
Out-of-Pocket Maximum	3,000	\$7,400	NTIC plan provides 100% coverage after the deductible is met. Most plans require you to continue to pay a portion of your medical costs (20% / 80%) up to an additional out-of-pocket maximum after meeting your deductible.
TOTAL POTENTIAL OUT-OF-POCKET COSTS	\$3,000	\$13,784	

401(K)

\$60,000 Salary 401(k) & Profit Sharing

\$100,000 Salary 401(k) & Profit Sharing

	NTIC Employee @ \$60,000	Average Employee @ \$60,000	NTIC Employee @ \$100,000	Average Employee @ \$100,000
Company Match 100% on first 1% then 50% of next 5%	\$2,100	\$2,100	\$3,500	\$3,500
NTIC Profit Sharing 2.5%	\$1,500	None	\$2,500	None
TOTAL RETIREMENT CONTRIBUTION	\$3,600	\$2,100	\$6,000	\$3,500



Only 10% of companies offer BOTH 401(k) match and Profit Sharing - NTIC does!



NTIC has also paid a \$500 Christmas Bonus to all employees every year !!*

*Christmas bonus is prorated for any employees hired within the calendar year.