

NORTHERN TECHNOLOGIES INTERNATIONAL CORPORATION
BOARD OF DIRECTORS
CORPORATE GOVERNANCE GUIDELINES

The following Guidelines have been approved by the Board of Directors and together with the Certificate of Incorporation, Bylaws and charters and key practices of the Board Committees provide the framework for the governance of Northern Technologies International Corporation. The Board intends that these Guidelines serve as a flexible framework within which the Board may conduct its business and not as a set of binding legal obligations. These Guidelines should be interpreted in the context of all applicable laws, NTIC's charter documents and other governing legal documents. The Board shall from time to time make such revisions to these Guidelines as are considered appropriate.

Size of Board

The Nominating and Corporate Governance Committee will periodically review the size of the Board and, as appropriate, make recommendations to the Board. The size of the Board should accommodate the objectives of effective discussion and decision-making, adequate staffing of Board Committees, and desired mix of management and non-employee directors.

Composition and Qualifications

The Board will be comprised of a majority "independent directors," as defined in the Listing Rules of the Nasdaq Stock Market, Inc. or such other market on which NTIC's common stock is then listed or quoted. If at any time the Board consists of less than a majority of independent directors, the Board will seek additional directors and/or resignations from current directors to the extent necessary to meet the requirement that it be composed of a majority of independent directors. The Board is responsible for determining the independence of each director. The Nominating and Corporate Governance Committee is responsible for articulating and refining any other specific qualifications or criteria for Board membership.

Selection of Directors

All directors are encouraged to submit to the Nominating and Corporate Governance Committee the name of any person deemed qualified to serve on the Board, together with information on the candidate's qualifications. The Nominating and Corporate Governance Committee will screen and submit to the full Board the names and biographical information of those persons considered by the Nominating and Corporate Governance Committee to be viable candidates for election as directors.

New Director Orientation

Management, working with the Nominating and Corporate Governance Committee, shall provide an orientation process for new directors, including providing background material on the Company and its business.

Board Leadership

The office of Chairman and Chief Executive Officer may or may not be held by one person. The Board believes it is best not to have a fixed policy on this issue and that it should be free to make this determination based on what it believes is best in the circumstances. However, the Board does strongly endorse the concept of independent directors being in a position of leadership for the rest of the outside

directors. If at any time, the Chief Executive Officer and Chairman are the same, the Board shall elect an independent director to serve as the lead director.

Board Committees

The Board believes its current Committee structure, comprised of an Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, is appropriate. Each Committee shall have a charter approved by that Committee and the Board of Directors, the adequacy of which will be assessed on an annual basis by that Committee. The Board will annually review the Committee structure as well as the charter and composition of each Committee and will make modifications as necessary. The Board reviews the Committee membership when it annually reappoints its Committees and, therefore, does not have a fixed policy on rotation of Committee memberships. The Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee will be composed entirely of directors who meet the criteria required for independence by applicable law, rules and regulations of the SEC and the listing standards of the stock exchange or market on which NTIC's securities are then listed or quoted.

Board Meetings

Board meetings will be scheduled in advance, at least every quarter. In addition to regularly scheduled meetings, additional Board meetings may be called upon appropriate notice at any time to address specific needs of the company. The Chief Executive Officer and Chairman (if the two offices are separated) shall establish the agendas for Board meetings, taking into consideration the "core" agenda items and regular meeting dates that the Board establishes in advance. The Board shall be free to suggest agenda topics and the Chief Executive Officer will seek Board input on agenda items. The Board may also take action by unanimous written consent.

Committee Meetings

Meeting frequency and agenda items for Committee meetings shall be fixed by the respective Committee Chair, taking into account the regular Committee meeting schedule and core agendas annually fixed by the Board. The Committee Chair will report to the full Board at each regular meeting on Committee actions and recommendations. The agendas and meeting minutes of the Committees shall be shared with the full Board, and other Board members are welcome to attend (but may not vote at) Committee meetings, except as otherwise provide by applicable law, rules and regulations of the SEC and the listing standards of the stock exchange or market on which NTIC's securities are then listed or quoted or where a conflict may exist with respect to any such director and the subject matter of the Committee meeting.

Executive Sessions of Independent Directors

The independent directors shall meet separately outside the presence of any non-independent directors on a regular basis.

Meeting Attendance by Non-Directors

The Board and the Chief Executive Officer shall select senior executives to attend meetings to make presentations to the Board that provides the Board with the opportunity to evaluate senior executives. Board meetings may also be attended from time to time by outside advisors, to the extent such advisors' participation is deemed necessary and appropriate by the Company's management, to assist the Board in understanding the material presented to the Board.

Attendance and Information Review

Directors shall make a diligent effort to achieve regular attendance at Board and Committee meetings, and to carefully review the information furnished by management with respect to matters requiring Board or Committee action or monitoring. Directors also have a responsibility, with the assistance of management, to maintain a current understanding of developments in the industry and to be familiar with NTIC's operations and its strengths and weaknesses.

Appropriate Information and Access

Directors are entitled to an adequate information flow from management. They should be provided with an agenda and (to the extent practicable) appropriate supporting materials in advance of Board and Committee meetings. Directors are also entitled to direct access to NTIC's independent registered public accounting firm, legal counsel and to management. The Chief Executive Officer should be kept advised of substantive contacts in this regard.

Ability to Retain Advisors

The Board and its Committees may, as it deems necessary or appropriate and at NTIC's expense, obtain advice and assistance from internal or external consultants, counsel or other advisors. If required under applicable laws, rules and regulations, however, before selecting any such consultant, counsel or advisor and from time to time as the Board or any of its Committees deems appropriate, the Board or 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.

Conflicts of Interest and Director Independence

Directors shall promptly disclose to the Board any existing or proposed situation or relationship that could reasonably be considered as a conflict of interest with service as a director, or having the appearance of such or which could affect the independence of the director under applicable listing standards or any additional standards as may be established by the board of directors from time to time, including direct relationships between the company and the director and his or her family members, and indirect relationships between the company and any business, nonprofit or other organization in which the director is a general partner or manager, officer, or significant stockholder, or is materially financially interested. Both the existence or proposed situation or relationship and the nature thereof (*e.g.*, financial, family relationship, professional, charitable or business affiliation) should be disclosed.

Director Attendance at Annual Meeting of Stockholders

Although a regular Board of Directors meeting is generally held on the day of each annual meeting of stockholders, this meeting is often held by telephone. It is the policy of the Board of Directors that if a regular Board of Directors meeting occurs on the day of the annual meeting of stockholders and is an in-person meeting, then directors standing for re-election should attend our annual meeting of stockholders, if their schedules permit.

Board Interaction with Corporate Constituencies

The Board believes that management speaks for and on behalf of NTIC. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies but this would be done only at the request of the Chief Executive Officer or Chairman of the Board.

Change of Principal Occupation and Board Memberships

The Board does not believe that directors who retire, change their principal occupation or business association should necessarily leave the Board. However, the Board, through the Nominating and Corporate Governance Committee, will review the continued appropriateness of Board membership under those circumstances.

Recognizing the substantial time commitments attendant to membership on the Board, a director shall sit on no more than four other public company boards of directors and a director who serves as an executive officer of a public company shall sit on no more than two other public company board of directors, without the approval of the Nominating and Corporate Governance Committee.

Retirement and Term Limits

The Board does not believe it should establish a mandatory retirement policy. However, any director who has attained the age of 75 should volunteer not to stand for re-election in order to give the Board an opportunity, through the Nominating and Corporate Governance Committee, to review whether it is appropriate for such director to continue to be a member of the Board in light of the facts and circumstances.

The Board does not believe that term limits for directors are appropriate. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who over time have developed increasing insight into the company and its operations and therefore provide an increasing contribution to the Board as a whole.

Retirement and Resignation Policy

All decisions regarding director and officer retirements and resignations shall be communicated in advance and in writing to NTIC's Corporate Secretary.

Board Compensation

Management directors will not be paid for Board membership in addition to their regular employee compensation. To attract and retain qualified non-employee directors, director remuneration and benefits should be competitive and reviewed annually to ensure that they meet this standard.

Stock Ownership by Directors and Executive Officers

In order to align the interests of stockholders and management, NTIC has adopted stock ownership guidelines which provide that NTIC's Chief Executive Officer should own a number of shares of NTIC common stock with a value equal to at least six times the Chief Executive Officer's annual base salary, other executive officers should own a number of shares with a value equal to at least three times the officer's annual base salary and directors should own a number of shares of NTIC common stock with a value equal to at least three times the annual Board cash retainer.

Loans to Directors and Executive Officers

Loans from NTIC to directors and executive officers are prohibited.

CEO Evaluation

The Board will ensure that a process is in place, utilizing the Compensation Committee, to annually evaluate the performance of the Chief Executive Officer and to provide a summary of the Board's review to the Chief Executive Officer. The process shall ensure that each outside director has the opportunity to provide written or oral input prior to the evaluation being provided to the Chief Executive Officer.

Board and Board Committee Evaluation

The Board will from time to time evaluate the performance of the Board, with a goal of improving the effectiveness of the Board as a whole. In addition, each of the Board Committees will from time to time evaluate the performance of the Board Committee, with a goal of improving the effectiveness of the Board Committee as a whole. Criteria for such evaluations will include level of director attendance, preparedness, participation and candor.

Director Continuing Education

Directors are encouraged to attend from time to time continuing education programs tailored to directors of publicly held companies.

Succession Planning

The Board will work from time to time with the Chief Executive Officer on advance planning for contingencies, such as the departure, death or disability of the Chief Executive Officer or other top executives, so that, in the event of an untimely vacancy, NTIC has in place an emergency succession plan to facilitate the transition to both interim and longer-term leadership.

Related Person Transactions

The Audit Committee will review, approve or ratify reportable related person transactions by use of the following procedures:

- NTIC's Chief Financial Officer, with the assistance of NTIC's legal counsel, will evaluate the disclosures provided in the director and officer questionnaires and from data obtained from NTIC's records for potential related person transactions.
- Management will periodically, but no less than annually, report to the Audit Committee on all related person transactions that occurred since the beginning of the prior fiscal year or that it believes will occur in the next year. Such report should include information as to (i) the related person's relationship to NTIC and interest in the transaction; (ii) the material facts of the transaction; (iii) the benefits to NTIC of the transaction; and (iv) an assessment of whether the transaction is (to the extent applicable) in the ordinary course of business, at arm's length, at prices and on terms customarily available to unrelated third party vendors or customers generally, and whether the related party had any direct or indirect personal interest in, or received any personal benefit from, such transaction.

- Taking into account the factors listed above, and such other factors and information as the Audit Committee may deem appropriate, the Audit Committee will determine whether or not to approve or ratify (as the case may be) each related party transaction so identified.
- Transactions in the ordinary course of business, between NTIC and an unaffiliated corporation of which a non-employee director of NTIC serves as an officer, that are:
 - at arm's length,
 - at prices and on terms customarily available to unrelated third party vendors or customers generally,
 - in which the non-employee director had no direct or indirect personal interest, nor received any personal benefit, and
 - in amounts that are not material to NTIC's business or the business of such unaffiliated corporation,

are deemed conclusively pre-approved.

Duty of Loyalty and Confidentiality

Directors owe to NTIC a duty of loyalty and a duty of diligence in carrying out their responsibilities. Directors shall deal in strict confidence with all material, non-public matters involving NTIC. Such material, non-public information shall not be disclosed to anyone other than Board members without the express agreement or direction of the Board.

Directors Who Receive Less Than a Majority Vote

In an uncontested election of directors (i.e., an election where the only nominees are those recommended by the Board), any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election by stockholders present in person or by proxy at the annual meeting of stockholders and entitled to vote in the election of directors ("Majority Withheld Vote"), shall tender a written offer to resign from the Board within five business days of the certification of the stockholder vote by the Inspector of Elections.

The Nominating and Corporate Governance Committee shall promptly consider the resignation offer and recommend to the full Board whether to i) accept the resignation offer; (ii) defer acceptance of the resignation offer until a replacement director with certain necessary qualifications held by the subject director (e.g., Audit Committee financial expertise) can be identified and elected to the Board; (iii) maintain the director but address what the independent members of the Board believe to be the underlying cause of the "against" or "withheld" votes; (iv) resolve that the director will not be re-nominated in the future for election; or (v) reject the resignation offer. In considering its recommendation to the Board, the Nominating and Corporate Governance Committee will consider all factors deemed relevant by its members, including, without limitation, (i) the perceived reasons why shareholders withheld votes "for" election from the director; (ii) the length of service and qualifications of the director, (iii) the director's contributions to the Company; (iv) compliance with any required listing standards; (v) the purpose and provisions of these guidelines; and (vi) the best interests of the Company and its shareholders. Any director who tenders his or her offer to resign from the Board pursuant to this provision shall not

participate in the Nominating and Corporate Governance Committee or Board deliberations regarding whether to accept the offer of resignation.

The Board will act on the Nominating and Corporate Governance Committee's recommendation within 90 days following the certification of the vote of the Company's shareholders by the Inspector of Elections, which action may include, without limitation, acceptance of the offer of resignation, adoption of measures intended to address the perceived issues underlying the Majority Withheld Vote, or rejection of the resignation offer. Thereafter, the Board will consider disclosing its decision whether to accept the director's resignation offer and the reasons for rejecting the offer, if applicable, in a current report on Form 8-K to be filed with the Securities and Exchange Commission.

The Board believes that this process enhances accountability to stockholders and responsiveness to stockholders' votes, while allowing the Board appropriate discretion in considering whether a particular director's resignation would be in the best interests of the Company and its stockholders.

Communication with Directors

Stockholders may communicate with the Board or any one particular director by sending correspondence, addressed to NTIC's Corporate Secretary, Northern Technologies International Corporation, 4201 Woodland Road, Circle Pines, MN 55014 with an instruction to forward the communication to the Board or one or more particular directors. NTIC's Corporate Secretary will promptly forward all such stockholder communications to the Board or the one or more particular directors, with the exception of any advertisements, solicitations for periodical or other subscriptions and other similar communications.

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Adopted by the Board of Directors of
Northern Technologies International Corporation
November 12, 2021