

Orchids Paper Products Company

COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

I. PURPOSE

The Compensation Committee (the “Committee”) shall discharge the Board of Directors’ responsibilities relating to compensation of directors and senior officers of the Corporation and the Corporation’s incentive-compensation and equity-based compensation plans.

II. COMPOSITION

The Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be independent directors, as defined in the rules of any national securities exchange on which the Corporation’s shares may be listed from time to time, and be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. In addition, each member of the Committee shall meet the definition of (1) a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, and (2) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code.

The members of the Committee shall be recommended by the Nominating and Corporate Governance Committee and elected by the Board at the annual organizational meeting of the Board and shall serve until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. A member of the Committee may be removed upon recommendation of the Committee and approval of the Board.

III. MEETINGS

The Committee shall meet at least one time per year or more often as the Committee may from time to time determine may be appropriate or as circumstances dictate.

Additional meetings may also be held at such other times as shall be reasonably requested by the Chair of the Board or the Chair of the Committee. Members of the Committee may participate in meetings by means of teleconference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and such participation shall constitute presence at the meeting. The Committee may also act as otherwise permitted by law or the Company’s Bylaws.

At the invitation of the Committee Chair, the meetings will be attended by the Chair of the Board, the Chief Executive Officer, representatives of any compensation consultant retained by the Committee and/or other persons as are appropriate to matters under consideration.

IV. RESPONSIBILITIES AND DUTIES

The responsibilities and duties the Committee shall include the following:

1. Review and approve corporate goals and objectives relevant to Chief Executive Officer compensation; evaluate the Chief Executive Officer's performance in light of those goals and objectives; and either alone as a Committee or together with the other independent directors of the Board, determine, the total compensation package, including salaries, bonuses, stock options, benefits and other compensation arrangements, for the Chief Executive Officer. The Chief Executive Officer may not be present at Committee meetings during discussions of Chief Executive Officer compensation.
2. Make recommendations to the Board with respect to compensation of, and oversee the evaluation process for, all other senior officers of the Corporation other than the Chief Executive Officer.
3. Make recommendations to the Board with respect to and supervise the administration of any Corporation employee benefit plans, incentive-compensation plans, equity-based compensation plans or profit sharing plans. In reviewing and making recommendations regarding employee benefit plans, incentive compensation plans, equity-based plans and profit sharing plans, including whether to adopt, amend or terminate any such plans, the Committee shall consider the results of the most recent Say on Pay Vote.
4. Review Board compensation and compensation practices and make recommendations with respect thereto to the Board.
5. Review the Corporation's incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and compensation, and evaluate compensation policies and practices that could mitigate any such risk.
6. Prepare the Compensation Committee report required to be included in the Corporation's annual proxy statement and annual report on Form 10-K.
7. Oversee issues regarding management succession.
8. The Committee shall have unrestricted access to management.
9. The Committee shall have the authority to form and delegate authority to one or more subcommittees when appropriate.
10. The Committee shall, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser as the Committee may determine necessary in carrying out its responsibilities hereunder. The Committee shall have the sole authority to and shall be directly responsible

for the appointment, compensation and oversight of any such adviser or any other consultant, legal counsel and other adviser retained by the Committee.

11. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any consultant, legal counsel and other adviser retained by the Committee.
12. The Corporation shall provide the Committee with adequate funding for payment of reasonable compensation, as determined by the Committee, to any adviser engaged by the Committee.
13. The advisers engaged by the Committee do not need to be independent, but in selecting advisers, the Committee shall take into consideration all factors relevant to the adviser's independence from management, for example, whether the adviser's employer provides other services to the Corporation, the amount of fees received from the Corporation as a percentage of that employer's total revenue, the conflict of interest policies and procedures of that employer, any relationship of the adviser with a member of the Committee, any stock of the Corporation owned by the adviser, and any bonuses or personal relationship of the adviser with an executive officer of the company.
14. Report actions of the Committee to the Board at least once quarterly, or more often as the Committee may from time to time determine may be appropriate or as circumstances dictate, with such recommendations for action as the Committee deems appropriate.
15. Review and reassess the adequacy of this Charter on an annual basis and make recommendations to the Board concerning any changes deemed appropriate.
16. Conduct an annual self-evaluation of Committee performance, and present the results of the evaluation to the Board of Directors.
17. Perform any other activities consistent with this Charter, the Corporation's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.

November 2016