

UFP TECHNOLOGIES, INC.
COMPENSATION COMMITTEE CHARTER

**Adopted by the Board of Directors
on March 14, 2012**

I. PURPOSE

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of UFP Technologies, Inc., a Delaware corporation (the “Company”) shall have overall responsibility with respect to designing, approving and evaluating executive compensation for the Company and shall have authority to review and approve such other compensation matters as the Committee deems appropriate.

II. COMPOSITION

The Compensation Committee shall consist of not less than three directors appointed by resolution of the Board and shall serve at the discretion of the Board. All directors on the Committee shall satisfy the requirements from time to time in effect of (A) Section 162(m) of the Internal Revenue Code of 1986, as amended, for “outside directors,” (B) Section 16 of the Securities Exchange Act of 1934, as amended, for “nonemployee directors,” and (C) the requirements of the Nasdaq Stock Market or such other stock market on which the Company’s securities may be listed for “independent directors.”

The Committee’s chairperson shall be designated by the Board or, if it does not do so, the Committee members shall elect a chairperson by vote of a majority of the Committee. The Committee may form and delegate authority to sub-committees when it deems appropriate, but authority for decisions with respect to the CEO’s compensation cannot be delegated to an individual member (including the chairman).

III. FUNCTIONS AND AUTHORITY

The operation of the Committee will be subject to the provisions of the Bylaws of the Company, as in effect from time to time, and to Section 141 of the Delaware General Corporation Law.

The functions and authority of the Committee will include, but not be limited to:

1. the review and approval, for each officer of the Company who is a “named executive officer” as defined in Item 402(a) of Regulation S-K (collectively, “Named Executive Officers”), and for such other senior officers of the Company as the Committee deems appropriate:
 - (i) the annual base salary level;
 - (ii) bonus and other annual incentives;
 - (iii) options, equity grants, non-qualified retirement plans and other long-term incentives;

- (iv) employment agreements, severance and retention arrangements, and change in control provisions/agreements, in each case to the extent applicable; and
 - (v) any other perquisites or supplemental benefits, other than those available generally to salaried employees and other than those that are individually less than \$5,000 or less than \$10,000 in the aggregate.
2. the evaluation of the performance of the Chief Executive Officer (“CEO”), the other Named Executive Officers and such other senior officers as the Committee may deem appropriate, it being understood that any such evaluation, other than that of the CEO, may be based upon an evaluation of such officer by the CEO or such other supervising officer or officers as appropriate. With respect to the performance evaluation and compensation of the CEO, the Committee may seek input from the other independent directors before making its final decision;
 3. the review and discussion on a periodic basis with management of the Company’s compensation related disclosures to be included in the Company’s applicable filings with the SEC;
 4. the authority to hire, at the Committee’s discretion, an independent consultant, accountant, legal advisor or other advisors on matters of executive compensation, and to appropriate Company funds as needed with respect thereto;
 5. the oversight of the administration of, and approval of the grants and terms of, any grants of stock options or other equity awarded under the Company’s stock option and other equity-based compensation plans;
 6. the review and approval of other compensation plans as the Committee deems appropriate;
 7. the general oversight of risks associated with the Company’s compensation policies and practices;
 8. the approval, and/or recommendation to the Board, of compensation for the members of the Board and each committee thereof;
 9. the periodic review and assessment of the adequacy of this Charter as conditions dictate; and
 10. the performance of such other functions and such other powers as may be necessary or convenient in the efficient discharge of the foregoing, including without limitation as may be required by applicable laws, rules and regulations, Nasdaq, the Company’s Certificate of Incorporation and Bylaws, or the Board.

IV. MEETINGS

The Committee will hold meetings, and may meet in executive session, as and when the Committee deems appropriate. The Committee may meet by telephone or video conference or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and may take action by written consent. A majority of the members of the Committee, or a duly appointed subcommittee thereof, shall constitute a quorum.

V. MINUTES AND REPORTS

Minutes of each Committee meeting will be kept and distributed to each member of the Committee and made available to other members of the Board of Directors. The Committee will report to the Board whenever so requested by the Board and as the Committee deems necessary.