

NEENAH PAPER, INC.

COMPENSATION COMMITTEE CHARTER

Adopted on November 30,, 2004



COMPENSATION COMMITTEE CHARTER

Organization

This charter governs the operations of the Compensation Committee of the Board of Directors (the “Board”) of Neenah Paper, Inc. (the “Corporation”). The Compensation Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes of the charter to the Board for approval. The Nominating and Corporate Governance Committee, in consultation with the Chairman of the Board, shall recommend members for appointment to, and the Chairperson of, the Compensation Committee to the Board for its approval. The members of the Compensation Committee shall serve for such terms as the Board may determine, or until their earlier resignation, death or removal by the Board. The Compensation Committee shall be comprised of at least three directors, each of whom (i) meets the independence requirements of the New York Stock Exchange and the Board of Directors Corporate Governance Policies, (ii) meets the requirements for a “Non-Employee Director” contained in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (iii) meets the requirements for an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Compensation Committee shall maintain minutes of its meetings and report to the Board.

Policy

The Compensation Committee shall employ compensation policies designed to align compensation with the Corporation’s overall business strategy, values and management initiatives. These policies are intended to (1) reward executives for long term strategic management and enhancement of stockholder value; (2) support a performance-oriented environment that rewards achievement of internal Corporation goals and recognizes the Corporation’s performance compared to the performance of similarly situated companies; and (3) attract and retain executives whose abilities are considered essential to the long-term success and competitiveness of the Corporation through the Corporation’s salary administration program.

In addition, the Compensation Committee shall periodically (1) review the human resource policies and practices of the Corporation and (2) review senior management development and succession plans.

The Compensation Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities, but in any case, not less than twice a year. The Compensation Committee will meet at such times as determined by its Chairperson or as requested by any two of its members. The chairperson will preside, when present, at all meetings of the Compensation Committee.

The Compensation Committee may meet by telephone or video conference and may take action by written consent.

Each member of the Compensation Committee shall have one vote. A majority of the members shall constitute a quorum. The Compensation Committee shall be authorized to take any permitted action only by the affirmative vote of a majority of the Committee members present at any meeting at which a quorum is present, or by the unanimous written consent of all of the Compensation Committee members.

The Compensation Committee shall have the authority to retain special compensation, legal, accounting or other consultants to advise the Compensation Committee and such advisors shall be paid and reimbursed by the Corporation. The Compensation Committee may require any officer or employee of the Corporation or the Corporation's outside counsel to attend a meeting of the Compensation Committee or to meet with any members of, or consultants to, the Compensation Committee.

Responsibilities and Processes

In carrying out its responsibilities, the Compensation Committee shall:

1. Review annually the adequacy of this Charter.
2. At least annually, review and approve corporate goals and objectives relevant to compensation of the Chief Executive Officer and, with the Chairperson of the Compensation Committee, coordinate the evaluation of the performance of the Chief Executive Officer in light of those goals and objectives for discussion with the full Board, and set the Chief Executive Officer's compensation level based on that evaluation.
3. Approve the compensation of employees who are directors of the Corporation and, in consultation with the Chief Executive Officer, approve the compensation of officers of the Corporation who are elected by the Board.
4. Make recommendations to the Board with respect to the Corporation's equity-based plans executive incentive-compensation plans and such other plans as may be in effect for the Corporation.
5. Review with management and, if appropriate, approve awards under long term incentive-compensation plans and equity-based plans established by the Corporation and otherwise perform all duties delegated to the Compensation Committee by the Board pursuant to such plans.
6. Act as the "Stock Option Committee" provided for under any stock option plan of the Corporation.
7. In consultation with the Chief Executive Officer, approve establishment and modification of executive compensation and benefit programs, such as salary ranges, perquisites, deferred compensation, employment agreements, severance arrangements, administrative rules for restricted stock awards and long-term incentive awards.

8. In consultation with the Chief Executive Officer, establish annual targets and certify awards for corporate performance for purposes of the Corporation's corporate bonus plans.
9. Approve the content of the report of the Compensation Committee required by the Securities and Exchange Commission to be included in the Corporation's annual proxy statement.
10. Discuss performance and development needs of senior level employees with the Chief Executive Officer. Also discuss development processes for future senior management candidates, including the policies and principles of the succession plan.
11. Evaluate and recommend to the Board appropriate compensation for the Corporation's directors, including compensation and reimbursement policies for attendance at Board and committee meetings.
12. Review periodically the human resource policies and practices of the Corporation, including major organizational and staffing matters.
13. Review periodically diversity policies and programs of the Corporation.
14. In consultation with the Nominating and Corporate Governance Committee, conduct an annual evaluation of the performance and effectiveness of the Compensation Committee and report the results of that evaluation to the Board.
15. Have such other duties and responsibilities as may be delegated to the Compensation Committee from time to time by the Board or required under the provisions of any compensation or benefit plan maintained by the Corporation.