

STEPAN COMPANY
CORPORATE GOVERNANCE GUIDELINES
Amended February 15, 2023

The Board of Directors (the “Board”) of Stepan Company (“Stepan”) has adopted the following Corporate Governance Guidelines (the “Guidelines”) to assist the Board in the exercise of its responsibilities and to serve the interests of Stepan and its stockholders. These Guidelines should be interpreted in the context of all applicable laws and Stepan’s restated certificate of incorporation, amended and restated by-laws (the “By-laws”) and other corporate governance documents. These Guidelines acknowledge the leadership exercised by the Board’s standing committees and their respective chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. These Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate and in the best interests of Stepan and its stockholders or as required by applicable laws and regulations.

I. BOARD STRUCTURE AND COMPOSITION

1. Director Independence

It is the policy of the Board to have a majority of directors who meet the applicable independence requirements of the New York Stock Exchange (“NYSE”), the Sarbanes-Oxley Act and the Securities and Exchange Commission (“SEC”) (such directors, the “Independent Directors”). The Board will review annually the relationships that each director has with Stepan to determine whether each director qualifies as an Independent Director.

2. Director Qualifications Standards; Size of Board

The Nominating and Corporate Governance Committee, in recommending director candidates for election to the Board, and the Board, in nominating director candidates, will consider candidates who have strength of character, an inquiring and independent mind, practical wisdom, and the ability to make mature business judgments with integrity.

In addition to these qualities, Stepan’s criteria for director candidates include recognized achievement, an ability to contribute to some aspect of Stepan’s business, and the willingness to make the commitment of time and effort required of a director on Stepan’s Board. The Nominating and Corporate Governance Committee and the Board will also consider demographics such as age, race, ethnicity, gender and sexual orientation.

The goal is to have a Board comprised of members with a diversity of professional, technical, operational, international and financial experience, qualifications, skills and characteristics that, taken together as a whole, provide the Board with the necessary tools to perform its oversight function effectively in light of Stepan’s business, industry and structure.

The Board shall consist of no more than eight members, with the number of directors set by the Board within the limits prescribed by the By-laws, as amended.

The Board itself shall be responsible, in fact as well as procedure, for selecting new Board members who will join the Board between stockholder meetings as well as those to be nominated by the Board for election by stockholders. The Board shall delegate the screening process to the Nominating and Corporate Governance Committee, with direct input from the Chairman. Other directors, employees, and stockholders may recommend candidates to the Nominating and Corporate Governance Committee following the procedures set forth in the Company's By-laws and applicable law.

3. Chairman and Chief Executive Officer

The Board has no policy with respect to the separation of the positions of Chairman and Chief Executive Officer ("CEO"). The Board believes that it should have the ability to make this determination on a case-by-case basis in a manner it deems in the best interest of Stepan. The Board shall regularly review its leadership structure in light of Stepan's then-current needs, best practices, internal assessments of the Board's effectiveness and other factors and may modify its structure as it deems appropriate.

4. Lead Independent Director

If the positions of Chairman and CEO are held by different people and a non-Independent Director holds the position of Chairman, the Board shall appoint a lead independent director (the "Lead Independent Director"). The Lead Independent Director shall be elected by the Independent Directors annually and shall coordinate and preside over certain matters relating to the Board. The purpose of the position shall be to provide independent oversight to the Board and strengthen relationships among the Board, the Chairman and the CEO.

The Lead Independent Director's responsibilities shall include, but are not limited to:

- (a) Presiding at all meetings of the Board at which the Chairman is not present, including meetings of Independent Directors ("Executive Sessions");
- (b) Reviewing the Board meeting schedule to ensure there is sufficient time for discussion of all agenda items;
- (c) Advising the Chairman about the content of Board meeting agendas in order to ensure that the agendas (i) consider issues and concerns of the directors, and (ii) are forward-looking and focus on strategic matters;
- (d) Advising the Chairman and the CEO about information to be sent to the Board in order to ensure that directors receive timely, accurate and complete information to enable sound decision-making, effective monitoring and advising;

- (e) Providing feedback on the scope, quality, quantity and timeliness of the flow of information sent to the Board that is necessary for the Board to effectively and responsibly perform its duties;
- (f) After each Executive Session, communicating with the Chairman and the CEO to provide feedback and to effectuate the decisions and recommendations of the Independent Directors;
- (g) Serving as principal liaison between the Chairman and the Independent Directors;
- (h) Providing feedback to any director who is not adequately performing his or her duties as a Board member or a committee member;
- (i) Participating in the Board candidate nomination process, including recruiting and interviewing, as appropriate;
- (j) Participating in the recruitment and retention of the CEO;
- (k) In consultation with the Chairman and the chairs of the Human Capital and Compensation Committee and the Nominating and Corporate Governance Committee, leading the annual CEO performance evaluation process;
- (l) In the event of the incapacitation of the Chairman during a corporate crisis, consulting and advising with the CEO regarding the coordination of resources; and
- (m) Fulfilling such other duties as the Board may delegate from time to time.

5. Mandatory Retirement; Director Resignation

Stepan does not have term limits for its directors; however, a director may not stand for election if the director will have reached the age of 72 by the time of the relevant annual meeting of stockholders, but a director who reaches the age of 72 after being elected may continue to serve for the remainder of his or her then-current term. Further, the Nominating and Corporate Governance Committee shall review each director's performance on the Board when the director's Board term will expire at the next annual meeting of stockholders and the slate of director candidates is being developed for inclusion in the proxy statement.

Directors shall inform the Chair of the Nominating and Corporate Governance Committee and the Chairman of any principal occupation change, including retirement, or any circumstances that may adversely reflect upon the director or Stepan, and offer their resignation to the Chair of the Nominating and Corporate Governance Committee. The Chair of the Nominating and Corporate Governance Committee, in turn, shall advise the Board of such change of status so that the Board can decide whether to accept the resignation.

Pursuant to the By-laws, a director who stands for re-election will tender his or her resignation if he or she fails to receive the number of votes required for re-election.

6. Director Service on Other Boards

Directors shall obtain the approval of the Chair of the Nominating and Corporate Governance Committee or the Nominating and Corporate Governance Committee as well as notify the Chair of the Board prior to accepting an invitation to serve on the board of another public company or on the board of any private company that would present a material commitment of time. Directors may serve on the boards of no more than three public companies, including Stepan's Board. Service on other boards and/or committees should be consistent with Stepan's conflict of interest policies set forth in Section VII below.

7. Board Duties and Responsibilities

In fulfilling its responsibilities, the Board shall act in what it reasonably believes to be the best interest of all Stepan stockholders and shall perform the following principal functions, exercising its business judgment in good faith:

- (a) Ensuring legal and ethical conduct and reviewing and approving changes to Stepan's Code of Conduct (the "Code");
- (b) Overseeing Stepan's risk management policies and processes;
- (c) Selecting, evaluating, compensating, and, where necessary, replacing the CEO and planning for his or her succession;
- (d) Advising on the selection, evaluation and development of senior management;
- (e) Participating in and monitoring Stepan's strategic planning;
- (f) Providing general oversight of the business and reviewing and approving significant corporate actions;
- (g) Overseeing the integrity of Stepan's financial statements and financial reporting processes;
- (h) Overseeing environmental, social and governance ("ESG") and climate matters, including (i) reviewing and evaluating Stepan's plans and practices; (ii) reviewing current trends and discussing such matters with management; and (iii) overseeing the development and use of measurement and tracking metrics;
- (i) Evaluating Board processes and performance;
- (j) Selecting and nominating candidates for election to the Board; and

(k) Compensating directors.

8. Board Access to Corporate Management

Board members shall have complete access to corporate management at all times in order to ensure that directors can ask any questions and receive all information necessary to perform their duties. Board members shall use their judgment to be sure that this contact is not disruptive to Stepan's business operations.

9. Board Access to Independent Advisors

The Board and each committee and subcommittee thereof shall have the power to hire independent legal, financial or other advisors as they may deem necessary, with all fees and expenses to be paid by Stepan and without consulting or obtaining the approval of any Stepan officer in advance.

10. Stock Ownership

Stepan shall maintain stock ownership policies for both key executives and non-employee directors because Stepan believes that ownership of Stepan stock by key executives and non-employee directors is desirable in order to focus both short-term and long-term decision making on the best interests of Stepan and its stockholders. The respective stock ownership guidelines shall apply to all named executive officers, including the CEO, and all non-employee directors. Each stock ownership policy shall be reviewed by the Human Capital and Compensation Committee, as needed, on a periodic basis.

II. MEETINGS

1. Attendance; Advance Receipt of Materials

Directors shall be expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly fulfill their responsibilities. The Chairman, in consultation with the CEO, the Board and the Lead Independent Director, shall establish the agenda for each Board meeting. Any director shall be entitled to add to the agenda any matter that the director reasonably believes should be on the agenda. Prior to each Board meeting, the Board members shall receive an agenda for the meeting, along with advance copies (when possible) of any written materials to be discussed. In addition, the Chairman and the CEO will regularly distribute to all Board members items of topical interest relating to Stepan, its operating environment, and the industries that it serves.

2. Executive Sessions

Executive Sessions will be held regularly. At least one of the Executive Sessions each year will be limited to Independent Directors.

3. Company Employee Attendance

The Board will also meet regularly in open session joined by selected members of Stepan's top management. At various times, Stepan's senior officers may make presentations to the Board. In addition, from time to time various other corporate personnel may attend open Board sessions and make presentations.

4. Confidentiality

The written materials presented to, and the proceedings and deliberations of, the Board and its committees shall be confidential.

III. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

1. Director Orientation

Following a director's initial election, the director shall participate in an orientation program established by Stepan. This orientation program shall include distribution of a Directors Manual, which will include information on Stepan's business and its operations, as well as copies of Board committee charters and other relevant policies and procedures. The program may also include presentations by Stepan's senior management designed to familiarize the director with Stepan and its strategic plans, and a tour of one of Stepan's manufacturing facilities.

2. Continuing Education

The Board will encourage its members to participate in continuing education programs sponsored by universities, stock exchanges or other organizations or consultants specializing in director education. Directors may attend continuing education programs at Stepan's expense.

IV. BOARD COMMITTEES

Stepan shall have four standing committees: Audit, Compliance, Human Capital and Compensation, and Nominating and Corporate Governance, each composed entirely of Independent Directors. Pursuant to the By-laws, the Board may, by resolution of the Board, create or discharge additional committees at any time, subject to the rules and regulations of the NYSE, the Sarbanes-Oxley Act and the SEC.

The Nominating and Corporate Governance Committee, after consultation with the Chairman and with consideration of the desires of individual Board members, shall recommend committee assignments, including the chairs, to the full Board for approval. The membership of the Audit Committee, the Human Capital and Compensation Committee and the Nominating and Corporate Governance Committee shall fully comply with the requirements established by the NYSE, the Sarbanes-Oxley Act and the SEC.

Each Board committee shall have its own charter that sets forth the purposes and responsibilities of such committee. Each charter shall also provide that the committee will annually evaluate its performance.

The committee chair, in consultation with members of management as the committee chair deems appropriate, shall establish the agenda for each committee meeting. Prior to each committee meeting, the committee members will receive an agenda for the meeting, along with advance copies (when possible) of any written materials to be discussed.

Each committee chair shall convene, as appropriate, Executive Sessions of the committee to discuss its activities.

V. EVALUATING CORPORATE GOVERNANCE GUIDELINES AND BOARD PROCESSES AND PERFORMANCE

The Nominating and Corporate Governance Committee, from time to time as it deems appropriate, shall review and reassess the adequacy of these Guidelines and recommend any proposed changes to the Board for approval.

The Nominating and Corporate Governance Committee shall report annually to the Board on an assessment of the performance of the Board and each of its committees. The Board shall discuss this at first with the Chairman in attendance; then, if desired by any director, in an Executive Session. This assessment shall include the Board's contribution as a whole and review areas in which the Board believes a better contribution could be made. The Nominating and Corporate Governance Committee shall be responsible for evaluating the performance of current Board members at the time they are considered for re-nomination to the Board.

VI. DIRECTOR COMPENSATION

Directors shall be retained and compensated for their service to Stepan. The Chairman and directors who chair committees shall receive additional annual compensation in recognition of their leadership position. In addition to the ongoing work of the Board, this service shall include participation at regularly scheduled meetings of the Board and its committees, special Board or committee meetings and informal work with management as the Board or any individual Board member deems necessary and appropriate.

The Nominating and Corporate Governance Committee shall be responsible for reviewing performance of the Board as a whole and the performance of individual Board members. The Human Capital and Compensation Committee shall make recommendations to the Board concerning directors' compensation, including benefits. In undertaking its review, the Human Capital and Compensation Committee may receive advice from the CEO and internal staff and engage outside consultants to provide reports on best practices in director compensation, including compensation paid to outside directors of other companies.

The Board shall seek to avoid compensation elements that may compromise the independence of directors, such as consulting contracts, advisory fees or other indirect forms of compensation to a director or an organization with which the director is affiliated.

VII. CODE OF CONDUCT; POTENTIAL CONFLICTS OF INTEREST

The Board shall expect directors, as well as officers and employees, to acknowledge their adherence to the policies comprising the Code. Certain portions of the Code will deal with activities of directors, particularly with respect to potential conflicts of interest. Directors should be familiar with the Code's provisions in these areas and should consult with Stepan's General Counsel or Chief Compliance Officer in the event of any questions or issues.

The Board shall take appropriate steps to identify potential conflicts of interest and ensure that all directors voting on an issue are disinterested with respect to that issue. The Board, after consultation with counsel, shall determine whether such a potential conflict of interest exists on a case-by-case basis.

VIII. THE CEO AND SENIOR MANAGEMENT

The Board shall make an annual evaluation of the CEO's performance, taking into account both the financial performance of the business and the qualitative performance of the CEO, including, for example, vision and leadership, accomplishment of long-term strategic objectives, and development of management. The results shall be used to identify strengths and areas needing improvements and for compensation purposes.

The CEO shall review annually with the Human Capital and Compensation Committee the current goals of the other senior officers and the extent to which these officers have accomplished their previous goals.

The Human Capital and Compensation Committee shall annually evaluate the performance of the CEO and other senior officers for compensation purposes and determine the CEO's and other senior officers' compensation, including incentive pay.

Members of Stepan's Operating Committee shall be the only Stepan employees who may serve on the board of directors of a public company other than Stepan or on the board of any private company that would represent a material commitment of time (each an "Outside Board"). The CEO shall obtain the approval of the Nominating and Corporate Governance Committee prior to accepting an invitation to serve on an Outside Board. Other senior officers shall obtain the approval of the CEO prior to accepting an invitation to serve on an Outside Board. The CEO and other senior officers may serve on no more than one Outside Board. The CEO and other senior officers of Stepan shall not serve on the board of a company for which a Stepan non-employee director serves as an officer.